

COMMUNICATION ON PROGRESS 2019

UN GLOBAL COMPACT



aialu

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01

CEO FOREWORD



As a company that was born sustainable Aiayu has always implemented sustainable core practices. We produce ethically and responsibly at certified factories with biodegradable natural fibers, producing with minimum waste and clean energy while supporting communities and local arts.

Empowering communities has been a major part of our sustainability vision. Consequent to working with local craftsmen in Bolivia, India and Nepal, in 2019 we started sourcing from Chetna Organic which helps farmers in India transition from conventional to organic farming, helping them during the transition period and paying fair trade prices for their products.

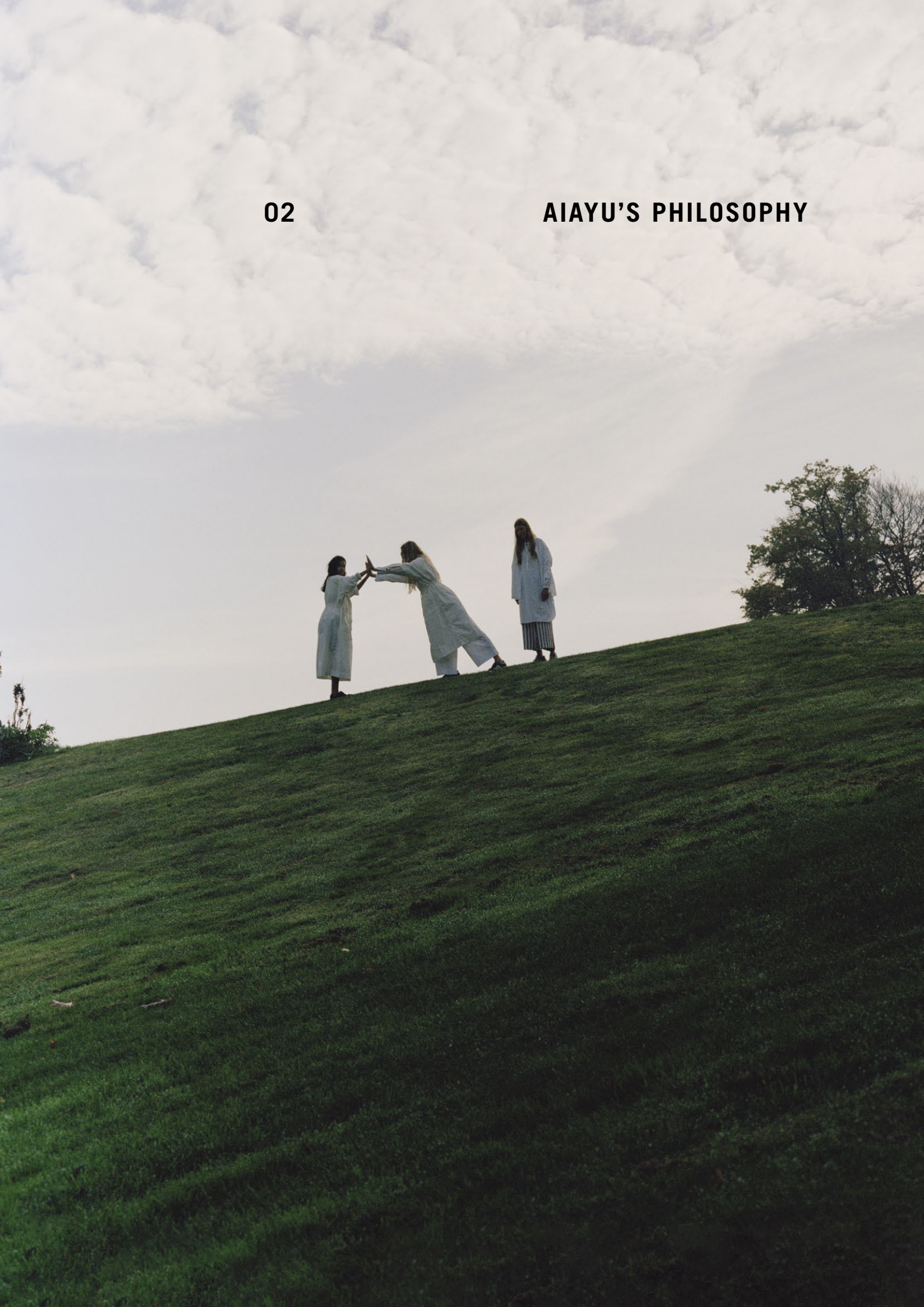
Aiayu will continue its support of the UN Global Compact Principles and work towards even better implementation of sustainability efforts across the business. This includes continued emphasis on creating strong partnerships with suppliers, focus on dialogue and education as vehicles for the development of a more sustainable supply chain alongside with active memberships of relevant communities.

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.

Maria Glæsel
CEO

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AIAYU'S PHILOSOPHY





UN GOALS:



Aiyu – pronounced [ai-ya-yu] – means ‘soul’ in the indigenous Aymara language from Bolivia. Aiyu was founded in 2005 by Maria Høgh Heilmann with the purpose to create apparel and lifestyle products made with care for the environment, the worker and the consumer by creating durable and high-quality products with an extraordinary story and with great respect for the people and planet.

The origins of our products are key to our concept, as the origin of the material is where we draw on the expertise of the local people, whose artisan skills are passed on from generation to generation. That’s why we produce our llama garments in Bolivia, our cashmere, silk and yak garments in Nepal and our organic cotton garments in India. We make a point of communicating the origins of our products, insights about the local people, their culture and traditions as it’s our deep desire to keep these ancient traditions alive.

Our products are therefore an investment in high quality and long-term solutions for the wardrobe and home, but also an investment in extraordinary stories and cultures.

03

HOW WE WORK



INVESTMENT PIECES

UN GOALS:



Our goal is to create timeless and durable designs – beyond fleeting fashion trends. Therefore, we aim to minimize introduction of new designs and make long term investment pieces in all our collections. Some of our designs have been a part of our collection since the company was founded 14 years ago, proving the timelessness of our designs.

When designing new styles or adding new colors or patterns, we thoroughly evaluate their ability to stay relevant for more than one season. We also thoroughly evaluate the relevance of the current trends and incorporate them in a long-lasting way.

That entails that we keep our collections to the minimum of two annual ready to wear and home collections, one small men's collection and a handful of reorders of our most iconic designs. Our collection structure is the opposite of the widely expanded collection structure of many fast fashion companies creating a constant news flow.

Another attempt to expand the lifetime of our products is by creating an emotional connection with the products and the people behind. For example, our hand-knitted garments are “signed” with initials of the Bolivian woman who knitted the item and by telling the stories of the products origin. By doing so we found that it not only created an admiration and recognition for the artisans crafting the items, but also a renewed sense of pride within the artisans and their communities.



CHALLENGE: THE NEED OF NEWNESS

One cannot neglect the consumers need of often wanting something new in their wardrobe – new colors or new silhouettes. This is a demand we try to stimulate in a slower and more sustainable way by attaining the dogmas mentioned above – offering timeless, high-quality, investment pieces the consumer and by only offering few collections a year.



NATURAL MATERIALS

UN GOALS:



FIBRES

All our materials are carefully selected based for their ability to withstand wear and tear and based on the sustainability level of their genesis and disposal.

Our materials include llama wool crafted in Bolivia, cashmere, silk and yak wool crafted in Nepal and organic cotton crafted in India. Each fiber has exclusive natural qualities and the justifications behind our commitment to these fibers are all unique stories which will be elaborated in the following chapter “3.2 Production”.

MONO MATERIALS

In order to make our products a part of a closed loop system, we aim to ease the material recycling process and design products composed of one single material/ mono-material.



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CHALLENGE: MONO MATERIAL

At times we compromise in order to enhance durability. For example, we blend our machine-knitted cashmere products with linen, to make the product stronger while keeping the softness of the cashmere. However, most of our products are of mono materials.

UN GOALS:**COLOURS**

We have a deep love for the high-quality materials and use them in their natural colour without dyes as much as possible. Llama wool comes in a wide range of natural colours, from pure white to grey, brown and black, yak wool usually has a light brown color and cashmere usually has a light to dark grey color.

When incorporating other colors or patterns to our scheme, we are conscious about using nontoxic dyes and about minimizing the use of dyes. Many of our suppliers therefore have a closed water system, keeping any liquid discharge from going into the nature. Our Bolivian supplier makes sure that dark fibers are used for dyeing dark colors and light fibers are used for dyeing light colors, as this minimizes the use of dye. Our Nepalese supplier uses a certified eco-friendly dye without azo dyes, this eco-friendly dye is proven to leave a minimal residue in the water, as the wool absorbs most of the dye. Lastly all our Indian suppliers use eco-friendly dyes complying with their GOTS certification.

TRIM

When striving to make our products both durable and a part of a closed loop system we focus on minimizing trim and on purchasing the best quality available.



CHALLENGE: TRIM TRANSPORTATION

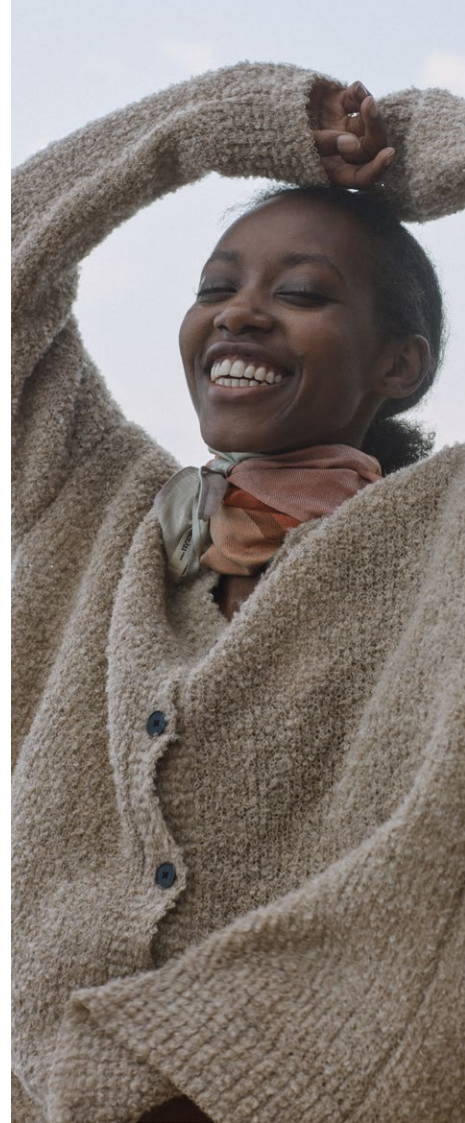
A fundamental value of our business is to produce our products close to the origin of the material thereby minimizing transportation. But in order to enhance durability of our products we purchase some of our trim from high quality suppliers primarily located in Europe and China, which increases transportation as well the CO₂ emission on the products with trim.





CHALLENGE: PLASTIC BUTTONS

We are currently trying to source buttons made of recycled plastic instead of conventional plastic. However, the current selection of suppliers is small, making the selection of recycled plastic button designs small as well. We have not yet found a button suitable for our designs, but we continue our search.



03.2 PRODUCTION

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BOLIVIA

Bolivia is a rather isolated country high up in the Andes mountains, and poorest country in South America based on GDP per capita. It has however managed to preserve its unique soul, natural treasures, charming cities and ancient native South American traditions.

UN GOALS:



ESTABLISHING A RESPONSIBLE PRODUCTION FROM SCRATCH

Our Bolivian connection is more than a story about working with a remarkable material. It's also a story about establishing a responsible and sustainable production from scratch, in a unique country with unique people. The factory is very unique because all processes in the entire supply chain are handled in-house, everything from sourcing, refining, spinning, dyeing and knitting. Producing under one roof ensures transparency, quality and reduces local transportation.

When we first started working with our Bolivian supplier, the supplier solely exported raw llama fibers and did not have an in-house yarnspinning or knitting facilities. But with DANIDA providing training in ethical business practices, a Dutch organization investing in professional garment machines and with Aiayu providing training in garment terminology and communication the supplier established a fully inhouse garment factory.

By entering this long-term partnership, we are now able to tell a remarkable story of a Bolivian garment business sharing the surroundings with the llamas, while earning a living from them. As well as a story of a Bolivian business surviving the high altitude of the highlands, rainy summers and dry winters, leading a good, sustainable example for the rest of the country.



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UN GOALS:



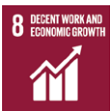
THE PRODUCT – KNITTED LLAMA WOOL

All our Bolivian products are produced from the same base material – llama wool. The wool comes directly from the llamas that roam freely in their natural habitat in the Bolivian highland at 4000 meters altitude. Not far from the llama's habitat, the fibers get spun into different thicknesses and tensions, giving a wide range of different looks and textures. Later the llama yarn gets either machine knitted or handknitted with incredible care, passion and attention to detail, using a technique that has been passed on from generation to generation throughout centuries. The handknitted items are individual works of art and each item can take up to several days or weeks to complete.

The llama wool is light, and the fiber is hollow, making it ultra-soft and able to provide superior insulation. It is also naturally hypoallergenic, and comparatively longer, stronger and more durable than other wool fibers. The fibre is not widely known, nor mass produced, contributing the high sustainability level.



UN GOALS:



SOCIAL SUSTAINABILITY – WRAP CERTIFICATION

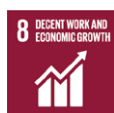
Together with our Bolivian supplier we have a strong focus on ensuring a high social standard in the manufacturing process. Therefore, we encouraged our supplier to obtain a certification proving these standards, and the company is now the only WRAP certified company in Bolivia and a leading example for the country.

The WRAP certificate requires the supplier to get under audit once a year, presenting how they comply with the twelve principles that ensures products are produced under lawful, humane and ethical conditions.

THE 12 PRINCIPLES OF WRAP:

01. Comply strictly to the laws and place regulations of work
02. Prohibition of work forced
03. Prohibition of child labour
04. Prohibition of harassment and abuse
05. Compensations and benefits
06. Hours of work
07. Prohibition of discrimination
08. Health and safety
09. Freedom of association and collective bargaining
10. Environment regulations compliance
11. Customs compliance
12. Security pre-shipment controls



UN GOALS:**ENSURING BUSINESS**

Aiayu and MUUTO launched a design collaboration in 2019, giving MUUTO the rights to produce and sell selected designs made by Aiayu, produced by our Bolivian supplier.

MUUTO is recognized both nationally and internationally for representing Scandinavian design with a high degree of functionality, craftsmanship and aesthetics. The company has a comprehensive international dealer network and is growing rapidly with 838.000 followers on their social media networks. This is a significant contrast when compared to Aiayu's 50.600 followers, and a big opportunity to enlighten our unique history in a greater reach. But most importantly the corporation is a great opportunity to stabilize the economy and to utilize the capacity of our Bolivian supplier, as MUUTO can place far bigger orders than Aiayu, as a result of the company's scale.

**ENVIRONMENTAL SUSTAINABILITY – UTILIZING RESOURCES**

As Bolivia is a traditional country, it is also a country largely undamaged by modern times industrialism as well as overconsumption. It is therefore a natural part of life to be conscious about resources and to utilize resources efficiently. This mindset also emerges in the production, where the supplier has a focus on reusing and recycling as many elements that goes into the production as possible. For example, the knitting panels are being upcycled into sub-products and storage boxes and yarn cones are being reused to minimize waste and consumption.

**WATER SAVING SYSTEM**

From the very beginning of the factory establishment, Danida and the Bolivian supplier made sure to install an all over responsible and sustainable facility, which included a closed water system, recycling the water and keeping any liquid discharge from going into the nature.

03.2 PRODUCTION

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INDIA

India is an incredible country – an immense culture of contrasts and contradictions. India is also known for its vast textile production and refining expertise, and our initial mission was to showcase a sustainable approach in a conventional production country.

THE PRODUCT – ORGANIC COTTON

All our Indian products are produced using organic cotton. The cotton fiber is naturally soft, strong, breathable and absorbent making it very comfortable against the skin, yet highly durable as it can resist abrasion wear and high temperatures.

UN GOALS:



SOCIAL SUSTAINABILITY

SA8000 AND BSCI CERTIFICATION + SEDEX MEMBERSHIP

All of our Indian suppliers are certified either SA8000 or BSCI, or are SEDEX members, ensuring development and maintenance of socially acceptable practices in the workplace. More specifically, the suppliers are compliant with all labor policies and offer fair wages. They have fair policies to eliminate discrimination and forced labor of any sort. They ensure a safe and hygienic working environment for workers throughout the supply chain. Employment is based on merit and not on sex, caste, creed or religion. Furthermore, most suppliers have a human resource department that oversees that all these policies are implemented and respected.

These certifications are very central to the ethics of Aiayu, as they ensure that working conditions live up to our own ethical standards.



CHALLENGE: CORRUPTION

A subject some of our suppliers can't address effectively is corruption. It is not an internal supply chain issue, but a governmental issue, as bribery sometimes is needed in order to get approvals/renewals of electricity connection, local council approval for business licenses etc. Nevertheless, it's our supplier's strong belief that corruption is the root of dysfunctional societies and it is something they attempt to act against, but not all suppliers are at a stage where they can address the issue successfully.



THE PRINCIPLES



THE PRINCIPLES OF SA8000:

- No child labour
- No forced or compulsory labour
- Health and safety
- Freedom of association and right to collective bargaining
- No discrimination
- Disciplinary practices
- Working hours
- Remuneration
- Management system



THE PRINCIPLES OF BSCI:

- The rights of freedom of association and collective bargaining
- No discrimination
- Fair remuneration
- Decent working hours
- Occupational health and safety
- No child labour
- Special protection for young workers
- No precarious employment
- No bonded labour
- Protection of the environment
- Ethical business behaviour



THE SEDEX MEMBERSHIP:

- SEDEX is a secure online database, as well as a supply chain management tool, helping companies to identify, manage and mitigate ethical risks in global supply chains
- Members can share and manage information in four key areas: Labor standards, health and safety, the environment and business ethics
- The tool engages with all tiers of the supply chain with the aim of driving improvements and convergence in responsible business practices.

UN GOALS:**CHETNA ORGANIC & FAIR-TRADE COTTON INTERVENTION PROGRAM**

Our biggest supplier in India buy all their cotton fibers from Chetna Organic – a non-profit organization which builds ethical supply chains for organic cotton.

Chetna Organic supports 25,000 small scale tribal farmers convert from conventional to organic farming. Converting from conventional to organic is not simple. Chetna Organic took action in 2004 and supports these farmers by teaching them regenerative farming practices focusing on biodiversity, food security and food safety, while paying a fair price for their organic cotton.

It takes 3 years for soil to become pesticide free, so the first 3 years of harvest cannot be sold as organic cotton, meaning more work and less income. 3 years is a long time in the life of a small farmer – it could mean no food on the table. Chetna Organic trains them to grow different cash crops they can sell during the transition, helps with seeds, runs schools for children. They make sure that farmers have a good life, and an incentive to convert to organic cotton.

Chetna Organic gives the farmers access to quality non-GMO organic seeds at a fair price, while providing a link between the farmers and national and international markets, which also helps reducing the impact of price fluctuations not only at the farmer level but also for brands.

In November 2019 our Design team, Production team, Creative Director and CEO went to visit these tribal cotton fields together with Chetna Organic and one of the suppliers who produce our garments. The Aiayu team went there, as Aiayu values transparency in the supply chain, and sincerely want the cotton farmers to be able to afford a decent living.



**UN GOALS:****EDUCATION**

Some suppliers have shown great commitment on social responsibility in the local society and have invested quite heavily on achieving better education for children, skill development and women's empowerment. More specifically the suppliers have established a tailoring institute that trains women living in rural areas close to the factory. The institute educates the women in garment manufacturing and afterwards the women are offered work at the factory.

**ENVIRONMENTAL SUSTAINABILITY – GOTS CERTIFICATION**

In India, we work solely with 100% organic cotton, fully GOTS-certified. GOTS is a standard that covers the entire supply chain, from fiber to finished product. It is based upon respect for people and planet. GOTS-certified cotton guarantees that the raw material is grown organically, and that the production is processed organically and socially responsibly. Many of our suppliers are also fully Fairtrade-certified. Aiayu is not Fairtrade member yet and cannot promote this certificate on our products.

ENVIRONMENTAL CRITERIA

- At all stages through the processing organic fiber products must be separated from conventional fiber products and must to be clearly identified
- All chemical inputs (e.g. dyes, auxiliaries and process chemicals) must be evaluated and meeting basic requirements on toxicity and biodegradability /eliminability
- Prohibition of critical inputs such as toxic heavy metals, formaldehyde, aromatic solvents, functional nano particles, genetically modified organisms (GMO) and their enzymes
- The use of synthetic sizing agents is restricted; knitting and weaving oils must not contain heavy metals
- Bleaches must be based on oxygen (no chlorine bleaching)
- Azo dyes that release carcinogenic amine compounds are prohibited
- Discharge printing methods using aromatic solvents and plastisol printing methods using phthalates and PVC are prohibited
- Restrictions for accessories (e.g. no PVC, nickel or chrome permitted)
- All operators must have an environmental policy including target goals and procedures to minimize waste and discharges
- Wet processing units must keep full records of the use of chemicals, energy, water consumption and wastewater treatment, including the disposal of sludge. The wastewater from all wet processing units must be treated in a functional wastewater treatment plant.
- Packaging material must not contain PVC. Paper or cardboard used in packaging material, hang tags, swing tags etc. must be recycled or certified according to FSC or PEFC

TECHNICAL QUALITY AND HUMAN TOXICITY CRITERIA

- Technical quality parameters must be met such as rubbing, perspiration, light and washing fastness and shrinkage values.
- Raw materials, intermediates, final textile products as well as accessories must meet stringent limits regarding unwanted residues

SOCIAL CRITERIA

- Social criteria based on the key norms of the International Labor Organization (ILO) must be met by all processors and manufacturers. They must have a social compliance management with defined elements in place to ensure that the social criteria can be met. For adequate implementation and assessment of the following social criteria topics the listed applicable key conventions of the International Labor Organization (ILO) have to be taken as the relevant basis for interpretation.
- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labor must not be used
- Living wages
- Working hours are not excessive
- No discrimination is practiced
- Regular employment is provided
- Harsh or inhumane treatment is prohibited

UN GOALS:**UTILIZING OF RESOURCES**

All of our Indian suppliers take pride in optimizing their resources, and they aim to reuse and recycle as much as possible. One example on the initiatives towards closing the loop is making sure not to throw away plastics, but to collect it and give it to recycling units. Another initiative is to use old magazines and wastepaper to make envelopes for the documents they send to suppliers and customers.

**ZERO WASTE PROGRAM**

The fashion industry is known for its abundant use of materials and waste. The process of making garments leads to an excessive amount of waste from the cutting process, and from fabrics with a slightly wrong color being cancelled, and from cancelled productions.

To help address this issue, we have set up a zero-waste program in India for our cotton waste and have turned this problem into an opportunity to upcycle.

Aiyu annually re-uses 2000 kilos of scrap from our cotton production. With the waste we create small items like tote bags and hang tags, as well as larger items like quilts and rugs. The larger items are unique and made in limited editions, since we can't predict what leftover fabrics we end up with.

We also try to help eliminate waste by recycling excess fabric produced by other textile companies. In fact, the cotton tote bag you get when you shop in our retail stores is made from dead stock from other textile companies.

We donate the profit we make from our zero-waste products to a local school for challenged children called TEARS (short for Train, Educate and Rehabilitate Socially). We are very proud to be part of this donation group, as we truly believe, that engaging in these communities and supporting the trade will create sustainable growth and profit in these areas.



CHALLENGE: WASTE

Even when annually re-using 2000 kilos scrap, our cotton production still creates waste from faulty fabrics, colours and productions.



UN GOALS:**WATER SAVING SYSTEM**

Closed water systems have been installed at the factories, recycling 93.9% of the water and keeping any liquid discharge from going into the nature. Furthermore, to preserve and save water some suppliers have installed a rainwater harvesting system.

**RENEWABLE & EFFICIENT ENERGY**

To support our suppliers towards a more sustainable practice, Aiayu has made donations to solar panels for one of our Indian suppliers. In 2018 the solar panels was fully installed and able to cover 70% of the supplier's electricity consumption.

Today most of our Indian suppliers are using renewable energy from solar or wind panels and the rest are in the process of collecting funds for solar panels.

The suppliers also focus on installing energy efficient lightning, and by converting from CFL lights to LED lights they have been able to reduce the electricity consumption by 40%.

**IMPROVING LOCAL BIODIVERSITY**

One supplier shows great commitment to increasing the local biodiversity and ecosystems, and are investing in planting trees in and around Karur.

NEPAL

Well-known for its rich cultural heritage and breathtaking landscapes, Nepal is a captivating place.

UN GOALS:



ENTERING EMPATHETIC PRODUCTION OVER PRACTICAL PRODUCTION

Where other international companies often turn to more developed production-countries like India and China, we have chosen to manufacture our woven and knitted cashmere, silk and yak products in Nepal.

Nepal has a long tradition of impeccably handcrafted products involving knowledge and skills that have been handed down for generations. By applying these skills to modern products aimed at a global market, we help preserve their craftsmanship and we contribute to Nepal's export. We are aiming for a positive impact on the country's economic future, which Nepal needs in order to fuel their development.

By entering production in Nepal, we are not contributing to excessive industrialised mass production, but rather adapting to a more simplified Nepalese way of crafting and taking the time it takes to produce quality products, focusing more on the product and less on the lead time. That entails that development processes are quite unconventional and complicated at times, but that the end products reach a high level of significance.





UN GOALS:



THE PRODUCT – CASHMERE

Cashmere is the softest, most delicate wool of its kind, as the fibers are shorter than other wools like llama and merino.

Aiayu's hand-spun cashmere fibers used for our hand-woven cashmere products comes from the nomadic goatherds living in the Tibetan Plateau. By purchasing our wool from nomadic goatherds, we are minimizing our footprint on the ecosystem and biodiversity, as the goatherds and their goats don't occupy nor manipulate landscapes for a long period.

The finely machine-spun cashmere fibres used for our machine-knitted products is purchased from China.



CHALLENGE: CHINESE CASHMERE

We get our fine-spun cashmere from China, as Nepal doesn't have the machinery or the same level of expertise for making finely spun cashmere as China has. We would prefer getting our fine-spun cashmere from Nepal, as China is a country known for their mass production which has negative effects on both people and planet.

But sustainable practice is not always black and white, and in order to invest in the Nepalese people and economy, Aiayu decided to compromise on the origin of the cashmere.

However, we hope to establish these skills at our Nepalese suppliers through organizations like Danida – as we did in Bolivia when we started production there.



UN GOALS:**YAK WOOL**

The yak ox is an amazing creature roaming the remote hills of the Himalayas in Nepal. Our wool is made from the Yak Khulu – the finest, softest fiber. When treated properly, the fibers can be made into yak wool that feels as soft as cashmere, yet as strong and warm as llama wool.

**CAMEL WOOL**

We are working on expanding our product range in Nepal to Camel fibers and have started a collaboration with a Nepalese supplier that sources raw materials from the rangeland in Mongolia. The project is called “Green Gold and Animal Health Project” and is a Swiss developing program that include 80.000 herder’s households. The aim is to improve animal health and livelihoods of herder’s household.

SILK

Up till now Aiayu have only produced few silk scarfs and silk pillowcases, but we are exploring the opportunity to expand the category into more silk garments. We believe the material would complement our collection beautifully and fit into our nature-based material selection well, furthermore our customers respond very well to the delicate and luxurious natural material.



CHALLENGE: SILK

With that said, we are hesitant about expanding our silk range. The silk fiber is made from cocoons shielding silkworms during their pupal stage. But most of the silkworms used in the silk industry never live past this stage, as they are boiled or gassed inside their cocoon, in order to obtain undamaged silk threads from the cocoon. Around 6,600 silkworms die to make just 1 kilogram of silk. However, there is an alternative silk method called “Peace Silk”, “Eri Silk” or “Ahimsa Silk”. This silk is claimed to be made from cocoons collected after the silkworm have naturally emerged. The backside of Peace Silk is that there are no certifications to guarantee this standard is upheld, and there have been reports of conventional silk being sold as Peace Silk.

We are still in the research phase and intend to collect as many insights as possible before we decide on the expansion.

UN GOALS:



SOCIAL SUSTAINABILITY

SEDEX MEMBERSHIP (SA8000 CERTIFICATION IN PROGRESS)

All our Nepalese suppliers are frontrunners in ensuring high labour standards in the manufacturing process. None of them have forced labour, nor do they have discrimination in respect or in payment of employees – a job opening is filled purely on merit. Also, all our suppliers have a strict policy against child labour. Furthermore, our suppliers are proud to provide their workers with insurance, annual leaves and festival allowance mandated by the government of Nepal, but nevertheless facilities a few apparel companies provide for.

In 2018 a milestone was reached as one of our suppliers became a SEDEX member. A goal we have been aiming for since we started producing in Nepal in 2015. For us it's a great victory to be a part of a sustainable business conversion like this.

Now the process to implement the SA8000 certification has started and our biggest Nepalese supplier should have the certificate by the beginning of 2020. We have experience with the SA8000 certificate from India and we are pleased to continue with this certification in Nepal, as it takes environmental aspects into consideration.



ENVIRONMENTAL SUSTAINABILITY

ORGANIC FARMING CONVERSION INITIATIVE

One of our Nepalese suppliers have started an initiative to assist rural farmers of Nepal with converting to organic farming. The aim is to make farmers aware of the negative impact of pesticides not just on the environment but also on humans, and to convert each farming village into organic villages one at a time. The initiative provides assistance in sharing know-how, sourcing organic products, providing interest-free loans, buying equipment that can be used collectively and in buying and selling all the products without profit. Until now the initiative has covered twelve villages.



RENEWABLE & EFFICIENT ENERGY

The organic farming conversion initiative has started looking for Hydro Power and Solar Power investments to offset electricity needs of the entire organisation. They anticipate that in 3-5 years, 100% of the electricity produced in Nepal will be from sustainable sources such as Hydro and Solar. Furthermore, one of our suppliers has made the initiative to reduce their dependence on fossil fuel by changing their diesel-fired boiler to a husk fired boiler.



UTILIZING OF RESOURCES

Our Nepalese suppliers are very mindful about their high-quality cashmere yarns, therefore all leftovers are collected and recycled into sub products.

PACKAGING

UN GOALS:



We use bio-degradable polybags for our packaging. This means that each bag is dissolvable and can be gone within 90 days in nature.

We minimize excessive wrapping. Instead, we encourage clever wrapping, asking our customers to actively choose this luxury instead of making it complimentary. The gift bands we offer as a part of our gift wrapping is made exclusively from organic cotton leftovers from duvet claims.

We design the boxes to be reusable and beautiful, so that the customers want the items in their homes for other purposes.

SHIPPING

Aiayu get most goods distributed by air. Sea shipping from Bolivia and Nepal is not easy, since none of the countries have a coastline and it is very expensive and time consuming to transport the goods to the harbor in the neighboring country. Shipping from India by sea is workable and we ship our sleep and home collections by sea twice a year.

The wear collections are always lifted by air from all countries.



CHALLENGE: AIR SHIPMENT

The main reason for shipping by air from India is, that our calendar currently isn't set up for a longer lead time. We develop our fabric from scratch, and currently we have a long production lead time, sea shipment would add 1,5-2 months to that pushing all workflows. A lead time extension of this magnitude would trigger a big and very unsustainable change in our production planning, as our procurements would go from being sales based to be based on forecasts - increasing the risk of making overproduction and dead stock.

However, our business has been growing over the years, whilst growing the need of logistics optimization increases, and we hope to be able convert more shipments into sea shipment in the future.



RETAIL

UN GOALS:



STORES

When we reconstruct our retail stores, we work with the original structure instead of building from scratch.

The interior of our stores consists of wood and metal furniture handcrafted locally, cotton curtains and tote bags made of waste fabric from the production in India, brass hangers handcrafted in Nepal, LED lighting and walls finished with mineral paint.

This way of reconstructing retail spaces minimizes the use of building materials and gives our stores an unpolished yet refined look.

NO REDUCED PRICES IN OUR OWN SALES CHANNELS

Aiayu doesn't follow the conventional mid-season sales, January sale or Black Friday.

Our products are meant to last beyond and many of our products have stayed part of our collection for many years, and for that reason, it not sensible for us to discount any of our products. Furthermore, we believe that sales leads to thoughtless consumption. "At Aiayu we want our customers to recognize all the resources and many man-hours that goes into the production of the clothes we wear. As an antithesis to the mass consumption happening on Black Friday, we encourage our customers to repair their garments so it can live even longer, rather than buying new." said Aiayu's CEO Maria Glæsel on a prior Black Friday.

03.4 SALES AND AFTER SALES

41

EXTENSION OF THE PRODUCT'S LIFE

UN GOALS:



COMMUNICATING CARE & MAINTAIN

In order to reduce consumption we strive to make our products last as long as possible by giving our customers clear instructions on how to care for their Aiayu products.

REPAIR SERVICE

We encourage customers never to discard any items, but to repair or to pass it on if they are no longer fond of it – therefore, we offer a repair service on Aiayu garments.

03.5 AIAYU HQ

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UN GOALS:



As ethical production and consumption lies in the roots of Aiayu's foundation, the awareness and sense of responsibility is strong amongst the employees.

Amongst the sustainable initiatives taken at our office is an organic vegetarian lunch scheme, recycled paper for printing and ceramic tableware – no single use plastics.

FLOR FLOWERS COLLABORATION



This fall Aiayu teamed up with the Danish florist FLOR to create a pop-up shop in our Copenhagen store.

Learning about the conventional flower industry and its negative impact on the environment, made FLOR break with the traditional way of growing flowers and made them start a sustainable, organic and local flower production. A business model Aiayu were pleased to promote.

MERCEDES COLLABORATION



During Copenhagen Fashion Week this summer Mercedes held a private show for Mercedes guests, promoting their new electric vehicle by sponsoring an Aiayu fashion show. Aiayu were pleased to be a part of this event and a part of Mercedes journey towards sustainability, as an electric vehicle success achievement will make a big impact on our environment.

03.6 THE UN SUSTAINABLE DEVELOPMENT GOALS



03.7 CONTACT INFO

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AIAYU HEAD OFFICE ADDRESS:

Aiayu ApS

Forbindelsesvej 12, 2. th

DK- 2100 København Ø

Contact: +45 33 32 32 80 – mail: info@aiayu.com

DENMARK COPENHAGEN STORE ADDRESS:

Store Strandstræde 12a, 1255 Kbh K

Contact: +45 2784 0963 – mail: copenhagen@aiayu.com

DENMARK AARHUS STORE ADDRESS:

Volden 34, 8000 Aarhus C

Contact: +45 5353 7811 – mail: aarhus@aiayu.com

NORWAY OSLO STORE ADDRESS:

Grønnegata 1 – 0350 Oslo – Norway

Contact: +47 90410725 – mail: oslo@aiayu.com



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aiayu.com