

THE NILORN GROUP

EARTH

OUR OFFER FOR A MORE ENVIRONMENTALLY FRIENDLY FUTURE

CSR

NILORN CORE VALUES

PRODUCTS

Our responsibility and
offer to you

Every minute, over 37 football fields of rain forest are devastated. At Nilorn, we take responsibility and as part of this, we support the WWF (World Wildlife Fund) and its work.



NILORN
WORLDWIDE



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”By setting your home and office heating system just a few degrees lower, you’ll save a sizable amount of energy.”

Definition of Eco and environmental friendly products

Eco- and environmental friendly are two subjects seemingly without clear definitions. Terms such as green, natural and organic are frequently used. Nilorn believes in taking an overall view, not just of the materials selected, but that the whole design, manufacturing and supply chain be involved.

At Nilorn, we define Eco Products as being produced by natural resources. Starting with the fibre, through the complete production chain, everything is controlled from an environmental perspective.

Our definition of environmental friendly products addresses recycling, sustainable production and reduction of energy consumption and transport.

We recognize the increased demands regarding environmentally friendly products. At Nilorn, we believe this has to be achieved throughout the complete supply process. We work constantly to find environmental friendly alternatives which are commercially viable.

Corporate Social Responsibility (CSR) and what it means to Nilorn

The aim with our policy for Corporate Social Responsibility is to show what CSR means for us and to show our environmental and social commitment in our business decisions. Our definition of CSR focuses on the ethical, environmental and social perspective.

AS A GUIDE IN OUR WORK PERFORMANCE, WE HAVE IDENTIFIED THE NILORN CORE VALUES:

These values are practices a Nilorn employee applies daily, in all work situations. They embrace a unified platform, strengthen teamwork, and explain what we represent and the actions we take. Our aim is to meet customer requirements (wherever they occur) and minimize our impact on humans and the environment, while promoting social justice.

> NILORN CORE VALUES

- Passion
- Innovation
- Respect
- Teamwork
- Common Sense
- Responsibility
- Execute

ETHICAL RESPONSIBILITY

All Nilorn businesses will follow national as well as international laws and ethics. Nilorn will only co-operate with other parties which do the same.

We aim for customers and suppliers to see Nilorn as a reliable and responsible partner. Business relations will be built on honesty and mutual respect. Confidential information will always be treated as confidential and agreements should be respected.

Nilorn and its employees are not allowed to use bribes or any other form of illegal methods in any relation with customers, suppliers, authorities or other decision makers.

All sponsoring within Nilorn must be approved by the group C.E.O.

If any Nilorn suppliers should not follow laws, ethics, our Code of Conduct, or have bad business moral, the cooperation will be examined and actions taken accordingly.



ENVIRONMENTAL RESPONSIBILITY

Nilorn believes it is important to take responsibility for the environment by selecting materials and way of transportation carefully. Our goal is to lower our environmental impact, and since our customers decide materials and way of transportation we try and guide them to better options.

Environmental thinking should be a natural part of everyday activity. All employees must be aware of the Nilorn environmental policy and be given basic environmental training during their induction, while the training of key individuals will be more extensive.

Our suppliers must have clear environmental programs, careful selection of materials and consideration of these requirements at the time when new products are being developed.

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”Keep cloth towels next to the sink instead of using paper towels.”

SOCIAL RESPONSIBILITY

The Nilorn Group Code of Conduct

The Nilorn Group Code of Conduct from 2004 is based on the United Nations Convention on the Rights (FN) and Conventions of the International Labour Organisation (ILO). This is in place to ensure all our products are produced in good working conditions. No employees shall be denied human rights or suffer mental or physical harm. It is a non-negotiable requirement that all our suppliers and their subcontractors, without exception, follow this code.

Supplier agreements

Nilorn policy is to have signed agreements with all main suppliers. This agreement regulates lead-time, packing, freight, payment terms, warranty, quality control, confidentiality and Code of Conduct.

Unexpected visits

Nilorn also makes unplanned visits to make sure regulations are followed.

SUPPLIER EVALUATIONS AND AGREEMENTS

Supplier evaluations

Nilorn identifies a yearly plan for supplier evaluation including follow-ups. All suppliers with a certain volume are evaluated once a year. The judgement is planned and topics discussed/evaluated include: delivery security, product quality, service, product development, economy and environmental work. This evaluation gives the supplier a grade and eventually an action plan which is then followed by actions taken to improve.

The importance of Code of Conduct and REACH are clearly explained to all suppliers. Nilorn also has clear directions that textile suppliers are to be Oeko-Tex certified. For those not yet certified, a plan is discussed when certification will be in place.

HR policy

The Nilorn Human Resource policy creates an efficient and attractive working environment. It regulates what the company expects of its employees and what employees expect of the company.

The HR policy mainly regulates: management responsibility for developing its staff, information supplied to all employees, yearly development interviews, payments and IT usage.

"Flat packed boxes can reduce your transport volume by 75-90%."

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Our products and offer for a more environmentally friendly future

Nilorn offers a complete branding package with emphasis on a customer's image, profile and identity. We want to be the first choice for those who care about the environment. The Nilorn product line contains a variety of branding including everything from woven labels to packaging and accessories.

MATERIALS AND PRODUCTION

Our designers work very closely, together with our sourcing and product development team, in order to search and find materials which are environmental friendly. Consumers are purchasing with greater awareness as the choice of material and country of origin are receiving renewed attention. Our goal is to provide more environmentally friendly products without compromising the design

integrity. Nilorn can offer a range of different materials for a variation of usage. Paper, textiles, packaging and buttons are a few examples. In addition, we always include environmental friendly products in our yearly conceptual collections. For most any product you desire, there is an environmentally friendly alternative.

> NILORN PRODUCTS

TEXTILES

- Oeko-Tex 100.
- Recycled Polyester /Polyester that can be recycled.
- Organic cotton.

PAPER

- FSC paper.
- Recycled paper.

PLASTIC

- Plastics fulfilling REACH.
- Prevent usage of toxic PVC, instead offer other alternatives.
- Plastics which can be recycled.
- Oxo-biodegradable plastics.

METAL

- Fulfill REACH requirements.

Read more details about our products on the next page!

LOGISTICS AND TRANSPORTATION

At Nilorn we believe the supply chain plays an important role in reducing environmental pollution. We have a philosophy of being close to our clients. This means we are always able to deliver labels within 48 hours. By reducing the supply chain we help to reduce transport and distribution which saves energy consumption. Thanks to our web solution for the client and manufacturer, we can ensure deliveries and obtain updated information, in real time, anywhere in the world.

Another important aspect for us is the transport size of the product. In the design process, we work intensively with construction and sizes in order to optimize transports. Flat packing boxes and bags are an example of this.



Nilorn Products

> TEXTILE

OEKO-TEX 100



It is the policy of Nilorn to have the Oeko-Tex certificate for all textile production. The Nilorn Oeko-Tex certificates can be downloaded from our homepage (www.nilorn.com). Products produced in our own production facilities in Denmark and Portugal are Oeko-Tex certified. Nilorn East Asia has been certified since December 2008. We are working towards having all our production facilities certified, and in 2010 we will obtain a group certificate. We are constantly working towards supplier certifications.

What is Oeko-Tex 100?

Since 1992, the Oeko-Tex standard 100 has grown to be an international standard on safety, applied to the entire textile production chain. Having the Oeko-Tex certificate guarantees the textile product is not harmful to the consumer.

RECYCLED POLYESTER /POLYESTER THAT CAN BE RECYCLED

Today we can offer recycled polyester for different uses such as woven labels, felt, and embroidery. Recycled polyester can also be mixed with a warp in polyester and a weft in organic cotton.

ORGANIC COTTON

- GOTS (Global Organic Textile Standard)



The aim of this standard is to define world-wide recognized requirements ensuring the organic status of textiles. This applies to the complete process from the harvesting of raw materials, through environmentally and socially responsible manufacturing, all the way to labeling.

There are two grades:

- Label-grade 1: ≥ 95% certified organic fibres,
≤ 5 % non organic natural or synthetic fibres.
- Label-grade 2: ≥ 70% certified organic fibres,
≤ 30 % non organic fibres, but a maximum of
10% synthetic fibres (respective 25% for socks,
leggings and sportswear).

• EU-FLOWER



Labelling of clothing, bed linen and indoor textiles communicates:

- Substances with harmful effects on the air and aquatic environments have been limited during fibre production.
- The risk of allergic reactions have been reduced.
- The product does not shrink more than conventional products.
- The product is as colour resistant against washing, drying friction and light exposure as conventional products.

SUPPLIERS

We are working towards finding suppliers which offer organic cotton with the guarantee.

> PAPER

FSC (Forestry Stewardship Council)



When environmentally friendly paper is desired, Nilorn offers FSC certification as one alternative. To be able to declare this, the printer needs to be FSC certified and will need to be able to show that they are using certified FSC board for Nilorn products.

What is FSC certification?

FSC is an independent, non-governmental, not for profit organization established to promote the responsible management of the world's forests. Products carrying the FSC label are independently certified to assure consumers that they come from forests that are managed to meet social, economic and ecological needs. The range of FSC products grows every day. Today, almost every product is available in FSC quality.

RECYCLED PAPER

Recycled paper is available as an alternative to FSC paper when an environmentally friendly paper is required.

> PLASTIC

General

Most all plastics are made from oil. This is a non-renewable source which can be an environmental disadvantage. However, it is important to bear in mind that the life of plastic material is long and most plastics feature the possibility to be recycled.

All plastics supplied by Nilorn fulfil the REACH requirements.

PREVENT USAGE OF TOXIC PVC

PVC is a well discussed subject in which additives (softeners) are the main issue. As an alternative to toxic PVC is PVC-ROHS which is a material not containing these major toxic chemicals.

Another alternative is EVA - a material that has similar soft properties as softened PVC.

PLASTICS THAT CAN BE RECYCLED

The way of handling used plastics makes a big difference. Often it is the additives which are the problem, not the plastic itself. It is important to mark the product clearly, noting the information about material content and what the consumer should do after it is used. More or less all plastics are environmentally friendly if they are handled in a correct way.

OXO-BIODEGRADABLE PLASTICS

Nilorn can offer plastic materials which are totally degradable. These plastics contain the P-Life® additive which leads to a total degradation of the plastic. The additive can be added into the polymer of polyethylene or polypropylene.



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”Plant a tree. Teaching our children to love and care for the planet is the most important thing we can do to ensure the future of humankind.”

> METAL

METALS FULFILLING REACH

We are working towards having all metals fulfill the REACH requirements.

Nilorn can offer metals that have less impact on the environment. Metals without color plating and recycled metals.

> REACH

(Registration, Evaluation, Authorisation and Restriction of Chemicals)

All Nilorn suppliers are required to sign a certificate stating REACH regulations are followed. This is a non-negotiable requirement.

What is REACH?

REACH is the Regulation for Registration, Evaluation, Authorisation and Restriction of Chemicals. It entered into force on 1st June 2007 to streamline and improve the former legislative framework on chemicals of the European Union (EU). REACH places greater responsibility on industry to manage the risks that chemicals may pose to health and the environment.

The REACH regulation specifies a list of restricted chemicals. If goods contain restricted chemicals it is necessary that the manufacturers and importers are informed.

All manufacturers and importers are responsible for identifying chemicals and managing risks linked to the substances they manufacture and market.

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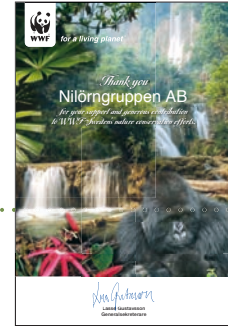
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> MATERIAL INFORMATION

PAPER: Cyklos 250g and 170g,
100% recycled fibres.

INK: Based on vegetable oils
(free from minerals)
and renewable resources.



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