

O'NEILL EUROPE



**O'NEILL**

**B L U E**

OUR OCEAN MISSION

■ **2018** ■

**SUSTAINABILITY  
REPORT**

SUSTAINABILITY REPORT

SUSTAINABILITY REPORT



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# PREFACE

Jack O'Neill invented the wetsuit as early as 1952, because he - in his own words - "just wanted to surf longer." That passion inextricably connects O'Neill with water. As a brand created in nature, we see it as our responsibility to contribute to a more sustainable world - our world - in everything we do.

That is why we are constantly looking for innovative production methods that reduce our ecological footprint. A logical choice, which continues Jack's original vision for functional and innovative board products.

For example, with the O'Neill Blue line we offer consumers a more sustainable choice, with a reduced impact on the environment. O'Neill Blue combines the best possible materials with better production methods and dedication to a better life for the people who produce our clothing.

Collaboration is essential and we are achieving good results in this area. It is also important that we communicate about our efforts and results. This first edition of our sustainability report is a step in the right direction. Although it can always be better, we are proud of the great results that we achieved in 2018.

Our roots are in Northern California, and we firmly believe in the power of nature to energize our souls. Therefore, it is our responsibility to actively protect nature through efforts that have a real impact; that is our mission. Our ocean mission

Peter Truijen, CEO



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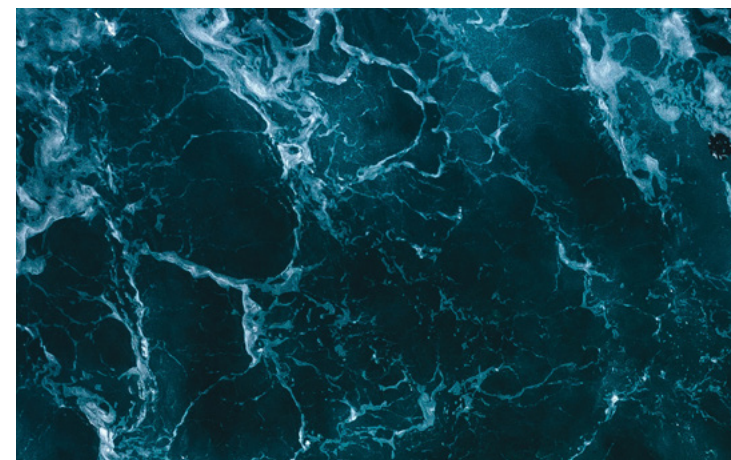


# RESUME

At O'Neill Europe, we are conscious about making our world a more sustainable place to live in. Clean waves and mountains are not only the foundation of our company, it is where our passions come to life. That is why we are constantly striving to make our products and production methods more sustainable.

Alongside other endeavours, we strive to use recycled fibres and organic cotton. For example, 70% of all bikinis from the Summer 2019 collection are made with Econyl® and 70% of all men's T-shirts are made with organic cotton. In 2018, we also invested in new materials for our sandals; now using TPU instead of PVC. Furthermore, most ski garments from our Fall/Winter 2018 collection consist of PFC-free coatings and laminates.

Because sustainability is about more than just nature, we are working hard to improve working conditions within our supply chain, by strengthening our processes and procedures. O'Neill Europe has been a member of the Amfori Business Social Compliance Initiative (BSCI) since 2009, a code of conduct based on international labour standards to protect workers' rights. In 2018, more than half of our suppliers received a "B" rating or higher according to the BSCI standard, or the equivalent thereof. This means that the audit results are "good" or "excellent". In addition, we support the other suppliers in their improvement plans.





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# OUR SUSTAINABILITY STRATEGY

The sun in your face, salt in your hair. When Jack O'Neill invented the wetsuit in 1952, he only wanted one thing: to surf longer. We firmly believe in the power of nature to energize our souls, but that is only possible on a clean planet. If we want to continue enjoying the oceans and mountains, we must give back. Not only to nature, but also to the people who make our passion possible.

That is why O'Neill Europe is constantly working on social, environmental and economic advancements. And although we always strive for better, we have implemented a wide range of standards and regulations that contribute to our sustainability goals.

The O'Neill Europe sustainability strategy is split into two categories, with individual goals and objectives:

## PRODUCT & PLANET

**CREATE A BROAD RANGE OF SUSTAINABLE PRODUCTS AND TAKE RESPONSIBILITY FOR THE PLANET**

## PRODUCTION & PEOPLE

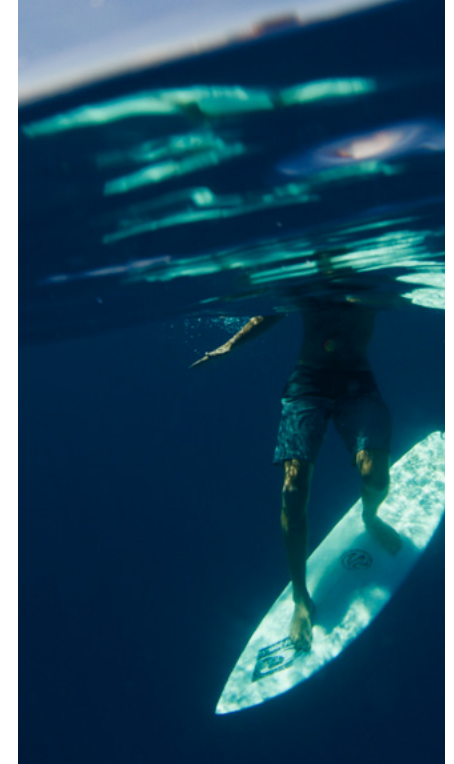
**WE CONTINUOUSLY IMPROVE OUR OPERATIONS AND PROMOTE FAIR WORKING CONDITIONS**

## ABOUT THIS REPORT

This is the first sustainability report from O'Neill Europe BV, following our signing of the Sustainable Clothing and Textile Covenant, three years ago.

In this first report you will find the sustainability results of the 2018 calendar year, in which we produced the Winter 2018/2019 collection & the Spring/Summer 2019 collection. In this report you can read, amongst other things, about the activities that we undertake for responsible production, how we contribute to better working conditions and our challenges in these areas.

Do you have questions about O'Neill Europe's sustainability activities? Please contact Janine Martens, CSR manager: [CSR@oneill.com](mailto:CSR@oneill.com).



## ABOUT O'NEILL

In 1952, Jack O'Neill, a young man with an unstoppable passion for surfing, stood at the cradle of the oldest surf brand in history. Dressed in the world's first neoprene wetsuit, Jack went into battle with Mother Nature so that he could surf the ice-cold waves of Northern California. Shortly thereafter he opened the doors of his first surf shop.

A lot has changed since this modest start. But Jack's original vision of functional and innovative board riding products remains an inspiration for winter and water sport enthusiasts.





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# RESULTS AND CHALLENGES

A PLAN IS GOOD, BUT RESULTS ARE BETTER. IN THIS CHAPTER, YOU CAN READ WHICH CONCRETE RESULTS O'NEILL EUROPE ACHIEVED IN 2018 IN THE FIELD OF SUSTAINABILITY. YOU CAN ALSO FIND OUT WHERE WE SEE CHALLENGES AND HOW WE WANT TO DEAL WITH THEM.

## KEY RESULTS

### PRODUCT & PLANET CREATE MORE SUSTAINABLE PRODUCTS AND TREAT THE PLANET RESPONSIBLY

#### More sustainable materials

- 25% of the clothing we made in 2018 was made using at least 30% sustainable materials

- 70% of our bikinis were made with Econyl®

- 70% of all men's T-shirts were made with organic cotton (Winter 2018/19 collection & Summer 2019 collection)

- We created more consumer awareness through O'Neill Blue

#### Reduced impact on the environment

- Major steps were taken to use fluorocarbon-free, durable water-repellent coatings (DWR) for our outerwear by 2020  
- with 70% of the 2018 collection being PFC-free

- We replaced the plastic straps (PVC) on our sandals with thermoplastic polyurethane (TPU)

- The packaging for our products is made from 50% recycled materials

#### Animal-friendly production

- Although we barely utilise materials from animals, such as wool and leather, we have included animal welfare into our code of conduct. All of our suppliers have signed this code and thereby guarantee compliance with animal welfare regulations

**PRODUCTION & PEOPLE**  
**IMPROVE INTERNAL BUSINESS**  
**PROCESSES AND PROMOTE FAIR**  
**WORKING CONDITIONS WITHIN**  
**OUR SUPPLY CHAIN**

**Improve business processes – a more transparent supply chain**

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- After signing the Agreement on Sustainable Garments and Textiles, we evaluated our sustainability process in 2016 and 2017. In 2018, we identified areas of improvement and implemented changes with the support of external consultant Schuttelaar & Partners, with the objective of promoting fair working conditions.

- We strengthened our on-boarding process for new suppliers

- We developed an internal system for monitoring current suppliers; every six months we discuss the status of points of improvement with suppliers who do not yet have at least a “B” rating - employees from our product department encourage these suppliers to implement necessary improvements into their business operations

- We developed an internal tool for capturing supply chain information about the factories where we purchase our products, and the factories we select for our fabrics and trims

- We established a reliable process to prove that our products meet our requirements regarding their material origin

- We asked our suppliers to anonymously rate our purchasing policy through the Better Buying initiative; those who responded gave us a higher rating than the industry average

**Better working conditions**

- In 2018, more than half of the factories where we produce our products achieved good audit results

- In 2018, we signed the Bangladesh Transition Agreement, with the aim of achieving structural improvements to building and fire safety in Bangladesh

- 16,771 employees from Bangladesh attended training by the Accord on their right to a safe workplace

- We organized a meeting in Tamil Nadu, India on better workplaces, together with Hivos, Arisa, FLA, SAVE, READ and with Prénatal, WE Fashion and Miss Etam – with the aim of bringing stakeholders together and training suppliers on effective employee committees, giving them insight into the supply chain and making abuses discussable

- We made visits to manufacturers in Cambodia to create dialogue about effective employee committees and interaction with staff

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**BIGGEST CHALLENGE**

- To map our entire supply chain, we need information from suppliers on topics such as indirect suppliers. Although we have long-term relationships with many of them (often longer than five years), the collection of reliable information proves to be a challenge because of the accuracy and complexity of the supply chain.



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# PRODUCT & PLANET

EVERY PRODUCT IS CREATED FROM OUR CORE O'NEILL VALUES. OUR LOVE FOR A CLEAN PLANET CAN BE FOUND EVERYWHERE: IN OUR CLOTHING, PROCESSES AND THE INITIATIVES WITH WHICH WE CONTRIBUTE TO A SUSTAINABLE FUTURE.



**“THE OCEAN IS ESSENTIAL FOR OUR EXISTENCE - WE MUST PROTECT IT.”**

**— JACK O'NEILL**

The core of our company; the oceans, the waves, are threatened by a tsunami of plastic waste - on average around 8 million tons per year. These alarming figures inspired our Ocean Mission, O'Neill Blue: an initiative for sustainable clothing that doesn't compromise on quality, comfort or design. With O'Neill Blue, right now we are focusing primarily on clothing, but our ambition is to implement the Blue vision in initiatives that go beyond cleaner oceans; and help create a cleaner, more sustainable world.

Products from the Blue range offer our consumers a sustainable choice, with a reduced impact on the environment. Since starting the initiative in 2015, by 2018 10% of our total collection carried the O'Neill Blue logo. This includes bikinis and board shorts made from recycled Bionic®, Econyl® and Repreve® materials.



## THE O'NEILL EUROPE COLLECTION

THE O'NEILL EUROPE COLLECTION IS FOR MEN, WOMEN AND CHILDREN AND CONSISTS OF THE FOLLOWING CATEGORIES:

- PERFORMANCE (SNOW & BEACH)
- LIFESTYLE (CASUAL)
- ACCESSORIES
- SANDALS

## O'NEILL SEA ODYSSEY

Clean waves and the ocean are at the core of O'Neill. As an organisation with roots in surf, it is our responsibility to save the oceans.

In June 2018, the O'Neill Sea Odyssey (OSO) welcomed its 100,000th student, with a maritime and environmental education program that Jack founded in 1996. Young students explore the Monterey Bay National Marine Sanctuary aboard the Team O'Neill catamaran for a better understanding of the importance of the relationship between the sea and the environment. Our goal remains to create programs that contribute to a better world.

## PRODUCT:

CREATE MORE SUSTAINABLE PRODUCTS

Percentage of sustainable products in the collection:

STATUS 2018

25%

TARGET 2020

40%



## MORE SUSTAINABLE MATERIALS EVERY YEAR

In 2015, we produced the first O'Neill Blue collection and announced our ambitions to use more sustainable materials in our products. We made these ambitions concrete in 2016 by setting ourselves the target of having 40% of the entire 2020 collection contain sustainable materials. We also self-imposed a rule that said to be able to call a product sustainable, at least 30% of the main fabric composition must be made from sustainable materials. In 2018, 25% of our clothing collection consisted of products that included organic cotton, recycled polyester and polyamide (nylon), this includes the O'Neill Blue range. We strive to continue at this pace of progress to meet and exceed our sustainability goals.

### Organic cotton

Organic cotton is an environmentally friendly alternative to regular cotton, which requires 71% less water. Organic cotton contains no pesticides and toxic fertilizers, and is produced exclusively with non-genetically modified cotton seeds.

### Recycled polyester and polyamide

Instead of new polyester and polyamide - synthetic fibres made from crude oil - we use powerful, recycled yarns. Our partners for the O'Neill Blue collection are Bionic®, Econyl® and Repreve®. In addition, we also use other recycled yarns from reputable

suppliers who re-use PET bottles, clothing and fishing nets.

### Bionic®

This is a high performance eco-material made from recycled PET bottles collected from beaches. The bottles are collected, chopped, melted, spun into yarn and woven to create an environmentally friendly material. This manufacturer also places recycling stations on beaches, schools, hotels and city centres.

### Repreve®

Repreve® is made from recycled PET bottles. These are cleaned, processed into flakes and converted into fibres, those flakes are then processed into yarn.

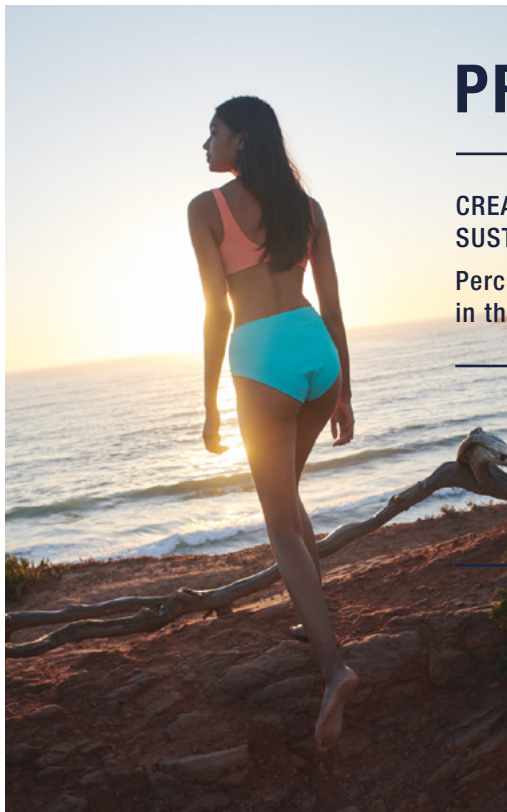
### Econyl®

Nylon waste from landfills and oceans around the world is transformed into Econyl® regenerated nylon. It is the same as brand new nylon and can be recycled, recreated and remoulded again and again.

This means you can create and buy new products without having to use new resources, making it suitable for a circular world.

### Integrity

To ensure that what we say about our recycled material use in products is true, we developed a traceability system. Our suppliers provide affidavits, tracing documents and transaction certificates. This is how we make sure that what we claim is correct.



# PLANET:

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## RESPONSIBLE USE OF THE ENVIRONMENT

### A REDUCED IMPACT ON THE ENVIRONMENT

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One of our most important values is to respect the world that gives us so much joy. That is why we work hard to limit the use of harmful substances to reduce our impact on the environment.

#### Limited use of chemicals

To ensure that our suppliers handle chemicals responsibly and sustainably, we have been applying a strict Restricted Substances List (RSL) and Manufacturing Restricted Substances List (MRSL) for several years.

We developed these lists together with industry specialist Modin, and based them on the latest scientific insights and international legislation, with conditions that are sometimes more extensive than prescribed by law. To ensure that suppliers comply with these rules, our employees carry out risk assessments and select products to be tested for the presence of harmful substances.

#### 70% PFC-free - up to 100%

O'Neill Europe has been working for several years on phasing out fluorocarbon compounds (PFC). PFCs are used because of their water and dirt-repellent capabilities, however, they seldom break down and tend to stay in the environment for a long time, where they can cause damage. This is why we are committed to introducing fluorocarbon-free, durable water-repellent (DWR) coatings and laminates for our water-repellent products. 70% of our collection is now completely PFC-free.

#### Ban on PVC

In 2018, we radically said goodbye to polyvinyl chloride (PVC) in our products. As a result, our collection of sandals with plastic straps was altered and replaced by thermoplastic polyurethane (TPU).

Adjusting the sandal straps had a major impact on the production process of our supplier. This required an investment from O'Neill Europe for new moulds and new production processes.

#### Packaging with 50% recycled material

To transport our products cleanly yet sustainably from the factories to our stores and end consumers, we started 2018 with packaging made from 50% recycled materials.



O'NEILL  
BLUE





# PRODUCTION & PEOPLE

Sustainability is all about the people, planet and the economy. We make the biggest impact on our supply chain when we place high demands on our suppliers. At the same time, we are also working hard on improving our own internal processes. We do this together with advisory councils, knowledge centres, NGOs and other partners and stakeholders – because together we can achieve a more sustainable world.



## QUALITY AND PRODUCT SAFETY

Our processes and regulations are very much focused on quality assurance. We have a 150 handbook that is continuously improved and compiled under the

supervision of independent inspection and testing parties and industry organizations, such as:



The manual describes general delivery requirements, procedures with which we guarantee the quality of our products and practical instructions for developing and producing an O'Neill product. For example - per category - the positioning of the label, physical and chemical product requirements (such as colour strength and tear resistance) and a list of prohibited chemicals. In the manual we also describe the code of conduct and the audit process that suppliers must comply with.

### THE O'NEILL EUROPE SUPPLY CHAIN

The creation of new collections, marketing activities, and the coordination of purchasing and delivery are done from the European O'Neill Europe headquarters in Warmond (NL). Our suppliers are mainly located

in Asia. They are managed by our purchasing offices in Hong Kong and Thailand, who manage 80% of the purchase value of the products (including the carrying out of quality checks).

PART	NATIONS	QA THROUGH
80%	CHINA, VIETNAM, BANGLADESH, CAMBODIA, MYANMAR, LAOS, THAILAND	LOCAL (OFFICE)
15%	INDIA, TURKEY	LOCAL (AGENT)
5%	CHINA (ACCESSORIES), SRI LANKA, TUNISIA, PORTUGAL, INDONESIA	CENTRAL (HQ, WARMOND)

# PRODUCTION:

## IMPROVE INTERNAL BUSINESS PROCESSES

We are constantly working on evaluating and optimizing our procurement policy. We do this together with our suppliers, so that they - and our indirect suppliers - regularly meet our requirements.

### Formalize purchasing policy

In 2018, we formalized our internal processes by writing an improvement manual together with external consultant Schuttelaar & Partners. This manual is primarily aimed at CSR employees, buyers and employees at our purchasing offices and contains all necessary steps for performing proper due diligence; including policies & procedures to prevent or tackle issues in the supply chain.

In 2018, we focused primarily on strengthening the onboarding process for new suppliers and optimizing an internal system for monitoring current suppliers. We developed an internal system for monitoring current suppliers in which every six months we discuss the status of areas for improvement with those suppliers who do not yet have at least a "B" rating. The employees of our product department encourage these suppliers to implement the points of improvement in their business operations.

This project was supported by the Fund for Combating Child Labour (FBK) of the Netherlands Enterprise Agency (RVO).

### Onboarding of new suppliers

To give an impression of our internal process, here is an example of the on boarding process of new suppliers.

We only welcome new suppliers if there is a clear reason; for example, because we need more capacity or to add a new product category. In the first contact between our buyer and the potential supplier, we share our business goals, company structure and the O'Neill Europe code of conduct. If the buyer and supplier come to a provisional agreement, the buyer organizes an internal presentation for the department head, which contains:

- a commercial evaluation;
- the completed new vendor form, with questions about (sustainable) business operations; and
- the most recent and valid BSCI report (or equivalent; SMETA / WRAP or a SA8000 certificate / report).

If the head of the product department approves the supplier, it is desirable that at least one employee from the O'Neill Europe head office visits the location before the



first order. At the same time, we start our internal processes of informing the new manufacturer about our general terms and conditions and educating them of the process and required working methods within O'Neill Europe. Part of these instructions is the completion and delivery of supporting documents for traceability in the supply chain.

We prefer to continue to purchase products from existing suppliers due to qualitative and financial considerations. This includes familiarity with the production requirements and the in-depth investments made, such as;

1. the correct execution of technical features in ski jackets, for example;
2. understanding all instructions from our manual;
3. improvement plans drawn up based on the results of the audits; and
4. the reduction of scrap and waste.

### Better Buying platform

In 2018, we asked our suppliers if they would like to anonymously assess our purchasing practices through Better Buying. Here, the suppliers receive questions about our planning and forecast, design and development, price and price negotiation.

Although only a small proportion of our suppliers completed the assessment,

O'Neill Europe overall scored better than the industry average. We will continue to work intensively on this in 2019, so that we get a more realistic picture and can define concrete objectives.

### Transparency and traceability within the supply chain

We developed a new supply chain mapping tool. Our aim is to better understand the people involved, processes, and ways of working within our manufacturing facilities and materials suppliers.

Sometimes getting information turned out to be a challenge. Although a few suppliers initially felt uncomfortable sharing information about indirect suppliers, they agreed after in-depth consultation.

Although we have already come a long way, several partners still lack information about indirect suppliers. That is why we will continue to collect information in 2019. In addition, we are going to build a digital tool that offers more insight into the complex supply chain and with which we can better analyse the gathered information.



# PEOPLE:

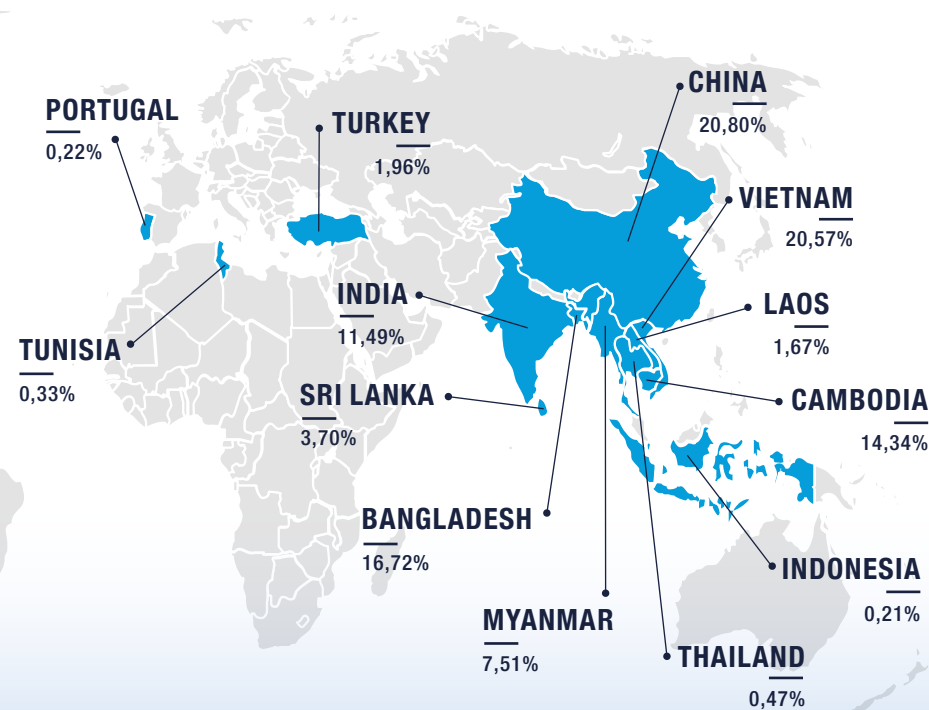
## PROMOTING FAIR WORKING CONDITIONS WITHIN OUR SUPPLY CHAIN

We believe in working with suppliers, partners and external stakeholders to improve the working conditions of employees.

### Countries where O'Neill Europe produced in 2018

We have no factories of our own, but in 2018 we worked in 13 countries, with 42 suppliers and at 52 production sites. These are mainly located in China, Vietnam, Bangladesh, Cambodia, India and Myanmar. Thailand, Tunisia, Portugal and Indonesia each produce less than 0.5% of our total production.

## PRODUCTION SHARE



### Points of attention and risks per country

To identify - and reduce - the risks for each country, we performed a risk analysis based on the CSR Risk Checker, and the country reports from Modint and the Fair Wear Foundation. In addition to the risk analysis at country level, we also gave a score for purchase value; complexity of the product; and human and labour law, based on audit results and environmental and animal welfare. Based on these priorities, we support our suppliers in improving their audit score.

Complaints procedure for employees at suppliers

Our complaints procedure follows the Amfori method. The O'Neill Europe Code of Conduct requires every supplier to conduct an anonymous complaints procedure for employees. Suppliers must also have a policy for protecting employees who report a complaint. This means the procedure:

- is legitimate;
- impartial and accessible to all;
- provides predictable and transparent procedures; and
- enables dialogue and interaction with the stakeholders for whom the system is intended.

### Monitoring and improvement plans

O'Neill Europe requires the production sites to implement an inspection by an independent party once a year or, depending on the previous score, once every two years. The reports are available via the BSCI platform or through intermediaries and, based on the results, the factories draw up an improvement plan. We then monitor the progress and effectiveness of the plan. We store this data and share it with our intermediaries and employees from the product department, so that they remain in dialogue with suppliers on this.

### General results

In 2018, more than half of the factories where we purchase our products achieved good audit results. This means at least an "A" or "B" BSCI rating or equivalent if a SMETA, WRAP or SA8000 audit has been performed.

For the other half, we see most points for improvement in working hours and safe working conditions, but also in the introduction of formal business processes and controls.

## Results by country

Below we describe, regarding the countries with our largest production share, our efforts on the points of improvement that emerged

from the audits. We discuss these issues and support suppliers in implementing a plan with remedial measures.

### CHINA

The most common complaints concern working hours and safe working conditions, but also the conduct of better business processes. For example, an emergency exit was blocked at one factory. At other factories, we see that employees work more overtime than the national standard of 36 hours a month and a maximum of three hours a day; this is a structural problem within this industry.

### VIETNAM

Vietnam, in addition to China, is one of our main production countries. In 2018, we worked with one supplier who has three production sites. The audits showed that safe working conditions can also be improved here. For example, one of the factories did not keep a proper record of the fire pump inspections. Following this finding, we discussed the improvement plan with the supplier and, pending the next audit, we will assess the effectiveness of the improvement plan.

### BANGLADESH

In June 2018, O'Neill Europe signed the Transition Agreement. Signatories to this agreement finance and implement a joint program for fire safety, construction safety and electrical safety, including safety inspections, public reports and training for

the factories. All factories in Bangladesh where O'Neill Europe produces are inspected for fire, building and electrical safety.

The Fire and Building Safety Accord in Bangladesh is a leading example of a successful multi-stakeholder initiative with concrete results: millions of workers now work in safer factories. O'Neill Europe fully supports the efforts of the Accord, and signed both the initial version and the subsequent Transition Accord.

Although the initiative has already led to far-reaching improvements, the work has not yet been completed. O'Neill Europe therefore expresses its concern about the stalled negotiations on the implementation of the work in the Agreement with the government of Bangladesh. O'Neill Europe supports the efforts of the steering committee to come to a sensible, time-bound transition agreement, based on the level of readiness of the Bengali government. We hereby confirm that we support the three-year period of the Transition Agreement.

We currently work with three suppliers in

Bangladesh whose employees follow safety training. These 16,771 employees know their rights with regards to safety and working conditions after the Accord training. The assurance of training new employees is guaranteed by the establishment of internal safety committees.

### CAMBODIA

In Cambodia, a relatively new country for O'Neill Europe, we work with four factories. Audit results show that the working times and safe working conditions comply with the code of conduct. There is room for improvement in the area of employee participation and freedom of association. During our visit in November 2018, we spoke to senior management and found that a collective labour agreement has not yet been agreed at a number of factories. The components of a CBA are already available, but this has not yet been formalized. For example, employee and trade union representatives are entitled to two paid hours a week to carry out their activities.



## INDIA

Our risk assessment showed that sexual harassment of female employees and child labour in the supply chain are the biggest issues in India.

Because the Tamil Nadu region is an important production area, we signed a multi-stakeholder initiative in 2017 with the aim of preventing and eliminating child labour. For this, we cooperated with the organizations Hivos, Arisa, the Fair Labour Association (FLA), the local NGO SAVE, READ and brands Prénatal, WE Fashion and Miss Etam.

In addition to child labour, the initiative also pays attention to bound work, gender discrimination, well-functioning employee committees and supply chain mapping.

The local NGO SAVE helps the collaborating organizations to build a constructive partnership with suppliers based on honesty and mutual trust. We made some good first steps in this area: interviewing employees, providing training at management and employee level, and making factory visits ourselves to discuss specific topics..

## MYANMAR

In Myanmar, we developed and purchased part of our collection from one supplier with two manufacturing sites. We plan to purchase from two new suppliers in 2019, with whom we are in close contact with to ensure that they understand our code of conduct, processes and procedures. You can find more information about our onboarding process on page 22.

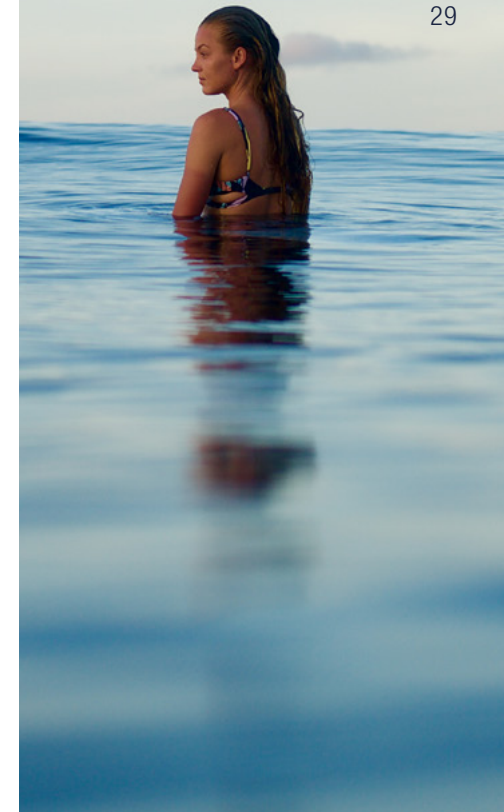
O'Neill Europe examined the risk analysis and showed that in Myanmar, topics related to labour, excessive overtime, fire safety and awareness of labour law score high. Initial audit results indicate that these production locations are meeting the criteria.

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**“We attach great importance to the collaboration with O’Neill Europe in the collective project to combat child labour in Tamil Nadu, India. In particular, the steps O’Neill Europe has taken to map the supply chain, motivate suppliers to participate in a training program and increase insight into the risks of child labour within the supply chain, are important steps to tackle child labour and forced labour. Transparency about suppliers is essential in the cooperation and we hope that O’Neill Europe will take further steps in this regard. We look forward to continuing the joint activities in Tamil Nadu with multiple suppliers.”**

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– DIEWERTJE HEYL, ARISA





# GOALS 2019/2020

IN 2019 & 2020 WE WILL CONTINUE BUILDING ON WHAT WE HAVE ALREADY ACHIEVED IN 2018. IN ADDITION, WE HAVE A NUMBER OF EXTRA POINTS OF ATTENTION:

## PRODUCT & PLANET

### MORE SUSTAINABLE MATERIALS

- Produce at least 40% of the collection with sustainable materials in 2020
- As of January 1, 2019, we have been a member of the Better Cotton Initiative (BCI), to provide a more sustainable choice for our cotton products
- The development of a separate collection in which we strive to use only recycled materials
- Expanding our sustainable material portfolio and using it in the collection

### REDUCED IMPACT ON THE ENVIRONMENT

- Investigate more sustainable alternatives for the dyeing and printing of fabric, together with nominated fabric suppliers

## PRODUCTION & PEOPLE

### IMPROVE BUSINESS PROCESSES – A MORE TRANSPARENT SUPPLY CHAIN

- Continue to map our supply chain
- Develop a digital tool with which we store collected information as efficiently as possible, to subsequently analyse the information obtained

### BETTER WORKING CONDITIONS

- Implement improvements in our purchasing practices based on the outcomes of the Better Buying report
- Continue to follow up and support the improvement plans of our suppliers, according to the topics in our code of conduct
- Establish an effective complaints procedure



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**PARTNERS AND OTHER STAKEHOLDERS**

# PARTNERS AND OTHER STAKEHOLDERS

In addition to our main stakeholders, employees and customers, we work closely with material manufacturers and suppliers, Quality Assurance companies, logistics partners, local authorities, NGOs, trade unions and research institutions. Furthermore, we have regular contact with colleagues from the outdoor and fashion industry, and we work with others that make a positive impact within our sector.

Intensive, almost daily contact and constant cooperation are essential in our approach to complex sustainability problems. We understand that we can only achieve a sustainable future together.



## BANGLADESH AGREEMENT

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The Bangladesh Accord is a unique alliance between different stakeholders; a binding agreement between fashion brands and retailers, internal and local trade unions and NGOs. In 2018 we signed the Transition Agreement for a further three years, which means that we will continue our efforts for improved building and fire safety and working conditions in factories.



## AMFORI - BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI)

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O'Neill Europe has been a member of Amfori BSCI since 2009, with the majority of our factories audited according to the BSCI system. The mission of Amfori is to enable members to increase human prosperity, to use natural resources responsibly and to trade globally. These are major challenges that we must tackle together. Only then will we make the difference needed and create positive change on a larger scale.

The BSCI Code of Conduct is based on a number of fundamental international labour standards aimed at protecting the rights of employees:

- the International Labour Organization convention (ILO);
- Declarations by the United Nations (UN);
- guidelines for Multinational Enterprises from the Organization for Economic Cooperation and Development (OECD); and
- the UN Global Compact initiative.



## MODINT

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Modint is a business network of manufacturers, importers, agents and wholesalers of clothing, fashion accessories, carpet and (interior) textiles. The purchasing and production module gives us access to knowledge and non-public information about the industry. We regularly attend Modint workshops on relevant topics such as chemicals and sourcing, but also on the mechanical safety of children's clothing related to cords, buttons and zippers.



## SUSTAINABLE CLOTHING AND TEXTILE COVENANT

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O'Neill Europe was one of the first brands to sign the Dutch Sustainable Clothing and Textile Covenant. With this we commit ourselves to the further improvement of working conditions, salaries and the environment - a shared approach of all signatories, NGOs and the government. As part of the covenant, we annually identify the biggest risks and we develop a plan of action to tackle those risks.



O'NEILL EUROPE



**O'NEILL**

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OUR OCEAN MISSION

■ **2018** ■

**SUSTAINABILITY  
REPORT**

SUSTAINABILITY REPORT

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