

# NA-KD

## MODERN SLAVERY STATEMENT 2022



# ABOUT THIS STATEMENT

This statement has been published pursuant to the UK Modern Slavery Act 2015 and sets out the steps that Nakdcom One World AB (hereinafter NA-KD) have taken during the financial year 2022 to address modern slavery in its value chain – within its own business operations as well as in its supply chain.



# ORGANISATIONAL STRUCTURE AND SUPPLY CHAIN

NA-KD is a global vertical direct-to-consumer fashion brand launched in 2016. We have a data-driven 'online first' approach and our customers are our number one priority.

Our website had 190 (220) million visitors in 2022, our app was downloaded close to 3 million times, and our social media is one of the fastest growing, with over four million followers.

In 2022, NA-KD shipped products to customers in 69 (80) countries and our customers can also find NA-KD's products on marketplaces such as Zalando and ASOS. Our total net sales in 2022 was 2,346 MSEK (2,299 MSEK). The majority of our sales came from Germany (26%), Sweden (15%), Netherlands (12%), Denmark (12%), Norway (9%), and the rest of the world (26%). During 2022, we sold over 11.6 (12) million products.

To create the best and latest fashion for our customers, we are working together with independent factories. At the end of 2022, NA-KD had 113 (199) producing factories, the majority in China and Turkey. This is a significant reduction from last year, due to a planned consolidation of NA-KD's production and active supplier base, a pause of our Home category and very limited Beauty production, to focus on our core business.



Our headquarter is in Gothenburg, Sweden. We also have an office in Stockholm, Sweden, and a purchasing office in Istanbul, Turkey. At the end of 2022, NA-KD had 273 (327) employees. We have warehouses in Sweden and in the Netherlands, as well as return warehouses in Poland and the UK. All warehouse operations are outsourced, but with NA-KD supervisors on all main sites.

NA-KD is a privately owned limited company. Our largest shareholders as of 31 December 2022 are: Partech Growth FPCI 18.9%, Northezone VIII L.P. 17.0%, eEquity III 9.5%, Quadrille Technologies IV Companies SLP 9.4%, and Jartsj Holding AB 8.6%. Johannes Löning became our new independent Chairman of the Board as of September 2022, and is solely having the role as Chairman of the Board (no executive responsibility). During 2022, we got a new interim CEO, Oscar von Konow, and made a reorganisation to enable efficiency and profitable growth.



# OUR APPROACH TO MODERN SLAVERY

NA-KD has a zero-tolerance approach to all forms of modern slavery, trafficking and forced labour, including any form of servitude, forced, bonded, indentured, trafficked, or non-voluntary labour, or precarious employment. The same zero tolerance applies for all parts of our business, including for all our business partners.

NA-KD recognises that the fashion supply chain is complex, and there are often more than 4-5 tiers of suppliers between NA-KD and the supply of raw materials. NA-KD also recognises that the countries in which our tier 1 production occurs rank high in terms of risks for human rights violations, including forced labour and modern slavery.

During 2018-2019, NA-KD worked hard to gain full transparency into its relationships with our finished production assembly suppliers. By the beginning of 2020, this aim was achieved and since 2021, we have full transparency of our tier 1 factories (finished production assembly facilities, where the cutting, sewing, finishing, and packing takes place), which are available in our supplier list on our website.

In 2022, we continued to accelerate our traceability and transparency efforts through several industry partnerships – a journey that will likely take several years. Our long-term goal is to achieve full supply chain transparency, as we want to strengthen our relationships with suppliers upstream and as we want our customers to know the origin and impact of their wardrobe – tier 2 and beyond.



# HUMAN RIGHTS POLICY AND SALIENT HUMAN RIGHTS

At the end of 2020, NA-KD defined its salient human rights for the first time. Forced labour and human trafficking is identified as one of the salient human rights, with highest concerns for people working in parts of the value chain where migrant workers are more common, such as manufacturing, logistics, raw material extraction, and outsourcing and subcontracting of staff.

All NA-KD's salient human rights are clearly expressed in the Human Rights Policy, which was approved by NA-KD's executive management team in December 2020.



# INTERNAL CODE OF CONDUCT AND EMPLOYEE TRAINING

During 2021, we updated our internal Code of Conduct, which states our minimum requirements for acceptable and unacceptable behaviour and is applicable for every representative of NA-KD: managers, colleagues, consultants, interns, and anyone else working for or on our behalf. It is based on international norms and guidelines such as the OECD Guidelines for Responsible Business Conduct, the ILO Declarations of Fundamental Principles and Rights at Work and the UN Guiding Principles for Business and Human Rights.

The Code of Conduct includes Modern Slavery and Forced Labour as one of its principles, and clearly communicates NA-KD's zero tolerance approach in this regard.

The Code of Conduct outlines the expectations of NA-KD employees and representatives to demonstrate vigilance and escalate if they have any reason to suspect any occurrence of modern slavery or forced labour in relation to our supply chain operations.



Following the launch of the new Code of Conduct in 2021, we rolled out a training program that included mandatory in-depth training for managers (75% attendees) and in-depth training for all employees working in high-risk environments, e.g. sourcing, purchasing and wholesale (95% attendees). The training included examples of situations that may qualify as Zero Tolerance issues, including modern slavery and forced labour, and examples of warning signs to look for when visiting production facilities, warehouses, or any other risk environments.

A total of 70% of NA-KD employees, across all departments and organisational levels, had received training by the end of 2021. In 2022, the Code of Conduct training was continued as part of NA-KD's onboarding process for all new employees, and as part of an additional annual training plan, which was attended by 82% of all employees in 2022).





# NA-KD'S SUPPLIER CODE OF CONDUCT

NA-KD are strong believers of industry collaboration to drive change towards a more sustainable fashion industry, including assessing and mitigating modern slavery risks. Therefore, we are active members of amfori, an association aimed at improving social conditions in global supply chains. We work according to their framework, together with our suppliers, to make sure that all the manufacturing parties we are working with agree to the principles and values we stand behind and strive to implement in our supply chain. The amfori Business Social Compliance Initiative (BSCI) and their Code of Conduct for business partners and producers have been adopted by NA-KD and are at the centre of our work with social and ethical compliance.

NA-KD requires all its suppliers to comply with this supplier Code of Conduct, which is aligned with international norms and conventions relevant to improve working conditions in the supply chain, such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and International Labour Organization (ILO) Conventions and Recommendations.

Through the Code of Conduct and its Terms of Implementation, NA-KD clearly communicates that our business partners and suppliers shall not engage in any form of Modern Slavery or forced labour, and that they are expected to cascade the values of the Code further up their supply chains. The Code of Conduct, which covers all our salient human rights, values on environmental protection, and business ethics and anti-corruption, is part of our purchase agreements and all suppliers working with NA-KD are required to sign it at the start of the business relationship as an integral part of our Purchase Agreement.



# DUE DILIGENCE PROCESS, RISK ASSESSMENTS AND SUPPLIER TRAININGS

All our suppliers must hold a valid social audit or verified assessment at the start of their business relationship with NA-KD, with exception only for low-risk suppliers with production in, for example, Sweden. The social audits cover the content of the Supplier Code of Conduct, including all salient human rights, working conditions and ethical business practices. The social audits or verifications are performed by a certified third-party auditing company, which gathers information via documentation and worker dialogues. We allow our factories to choose between our approved systems, which all cover the content of the Supplier Code of Conduct.

Our preferred systems are Higg vFSLM and amfori BSCI, while we also approve Sedex SMETA and SA8000. We require social audits or verified self-assessments to be conducted and renewed annually or biennially; the regularity is prioritised on a risk- and performance-based approach.

We conduct risk-based due diligence, using the tools available in the respective system for audits or verified assessments, and work actively to engage our suppliers in continuous improvement efforts annually. Corrective Action Plans/Continuous Improvement plans and reporting, capacity building and supplier dialogue constitute the cornerstones in this work. In 2022, the amfori Academy and the SLCP offered both online and face to face training to all its users, covering both the use of the tools and training on specific topics, including the most common human rights risks.



As NA-KD's supplier base is constantly evolving, we are continuously working to onboard new suppliers that comply with our values and principles, and at the same time work with risk mitigation and continuous improvement efforts within our existing supplier base.

In 2022, we have made efforts to improve the way we communicate with our supply chain business partners. We have accelerated our continuous dialogue on sustainability, taken steps to make our policies and procedures more accessible, and updated our policies and procedures detailing how we work with case escalation and Zero Tolerance.

NA-KD's Zero Tolerance Protocol guides our Business Partners in our expectations in case of human rights violations and business behaviour that may qualify as possible Zero Tolerance cases, including forced labour and modern slavery. The purpose of NA-KD's Escalation Policy is to provide clarification on possible business actions triggered by findings of violations to NA-KD's contractual agreements with Business Partners and our Business Partner Code of Conduct. The Policy clearly communicates NA-KD's expectations on Business Partners and producers to take corrective and/or remedial action when called for. It also clearly defines the escalation process and business actions taken by NA-KD in case of inaction or failure to correct and/or remediate within a reasonable timeframe in accordance with the regular continuous improvement protocols of our approved systems for social audits and assessments.



# SOCIAL AND LABOUR FINDINGS IN OUR SUPPLY CHAIN IN 2022

Our supply chain audits in 2022 show no prevalence of forced labour or modern slavery amongst our producers. However, we notice the presence of migrant workers in some regions and have offered guidance and support to producers on the protection of especially vulnerable workers.

Our measures taken in 2022 to eliminate modern slavery, forced labour and child labour have been integrated in our general due diligence efforts, including conducting social audits and offering our independent producers capacity building to suppliers, and requirements to cascade the values and principles set forth in our Supplier Code of Conduct upstream the supply chain to minimise the risks of such violations to occur.

Other measures have included training for NA-KD employees on warning signs to look for, prior to factory visits, and development of a strengthened policy and procedure in case of Zero Tolerance findings.

For further information on our sustainability work, please see our Sustainability Report for 2022.



This statement is approved and signed by  
the following Board of Directors



---

Oscar von Konow  
Interim CEO  
June 9, 2023



---

Johannes Löning  
Chairman of the Board  
June 9, 2023

# NA-KD

## MODERN SLAVERY STATEMENT

2022

[www.na-kd.com](http://www.na-kd.com)

**Nakdcom One World AB** Väverigatan 14, 415 02 Gothenburg, SWEDEN | **Registered office** Gothenburg  
**Corporate registration no.** 556971-2002 | **VAT no.** SE556971200201 | **Registered for tax**

Transaction 09222115557494579305



Signed OVK, JL

# Verification

Transaction 09222115557494579505

## Document

### Modern Slavery Statement 2022

Main document

14 pages

*Initiated on 2023-06-12 12:31:43 CEST (+0200) by*

*Finance NAKD (FN)*

*Finalised on 2023-06-12 23:04:23 CEST (+0200)*

## Initiator

### Finance NAKD (FN)

Nakdcom One World AB

*finance@na-kd.com*

## Signing parties

### Oscar von Konow (OvK)

*oscar@na-kd.com*



*Signed 2023-06-12 12:32:24 CEST (+0200)*

### Johannes Löning (JL)

*jan.loning@gmail.com*



*Signed 2023-06-12 23:04:23 CEST (+0200)*

This verification was issued by Scrive. Information in italics has been safely verified by Scrive. For more information/evidence about this document see the concealed attachments. Use a PDF-reader such as Adobe Reader that can show concealed attachments to view the attachments. Please observe that if the document is printed, the integrity of such printed copy cannot be verified as per the below and that a basic print-out lacks the contents of the concealed attachments. The digital signature (electronic seal) ensures that the integrity of this document, including the concealed attachments, can be proven mathematically and independently of Scrive. For your convenience Scrive also provides a service that enables you to automatically verify the document's integrity at: <https://scrive.com/verify>

