

**NA-KD**

MODERN SLAVERY STATEMENT

2020

## **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 2018 - 2019 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 launched in January 2016 and is one of the fastest growing fashion e-commerce brands in Europe. The website has monthly over 10 million visitors and the brand is one of the fastest growing in social media with over 2.5 million followers.

NA-KD ships to more than 100 countries each month, the majority of sales coming from NA-KD inhouse brands such as 'NA-KD Trend' and 'NA-KD Boho'. The brand NA-KD is also represented by over 600 retailers worldwide and is listed on marketplaces such as Zalando and ASOS.

For our operations we have a warehouse in the Netherlands and a facility in Sweden, where we use third party logistics providers. We also have a logistics partner in Poland managing parts of our returns. NA-KD has about 200 suppliers in countries like China, Turkey, Portugal, Italy, Morocco, Pakistan, Bangladesh, Vietnam and Taiwan.

NA-KD recognised 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 tier 1 supplier relationships. By the beginning of 2020, this aim was achieved.

# THE NA-KD SUPPLIER CODE OF CONDUCT

NA-KD is 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 Business Social Compliance Initiative (BSCI) and their Code of Conduct have been adopted by NA-KD and are at the center of our work with social and ethical compliance. NA-KD requires

all of its suppliers to comply with this Supplier Code of Conduct, which is aligned with international norms and conventions 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 relevant to improve working conditions in the supply chain.

The Code of Conduct clearly states that suppliers shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour and that no precarious employment is allowed. NA-KD holds a zero tolerance towards any forms of modern slavery and forced labour. Further, NA-KD clearly communicates in the Code of Conducts and its Terms of Implementation that suppliers are expected to cascade the values it holds further up their supply chains. The Code of Conduct is part of our purchase agreements and all suppliers working with NA-KD are required to sign it.

## **DUE DILIGENCE PROCESS, RISK ASSESSMENTS AND TRAININGS**

Having our suppliers registered on the amfori BSCI platform is part of our supplier onboarding process, within 6 months from signing the purchase agreement, the supplier should register on the platform. By the end of 2019, 88% of our suppliers were registered on the platform. Within the first 6 months, we expect suppliers to conduct a self-assessment and take part of the capacity building program offered on the platform.

The capacity building program includes both online and face to face training in our two biggest supplier countries: China and Turkey. We also require that all suppliers perform a BSCI social audit within six months from signing their contract with NA-KD. The audits are performed by a third

party certified auditor, which gathers information via documentation and worker dialogues. In some cases we approve other forms of social audits, such as SMETA audits and SA8000 certification. Though our overall goal is to have all suppliers perform a BSCI social audit. The supplier will get a rating in each performance area covered by the Code of Conduct, A-E, where E is unacceptable. Our aim is that all suppliers should have a C rating or higher.

As NA-KD's supplier base is constantly growing, this is an area where we are continuously evolving to onboard new suppliers and at the same time work with identified improvement potential and risk mitigation within our existing supplier base.

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



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Jarno Vanhatapio  
CEO



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Magnus Emilson  
Chairman of the Board

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

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**Corporate registration no.** 556971-2002 | **VAT no.** SE556971200201 | **Registered for tax**