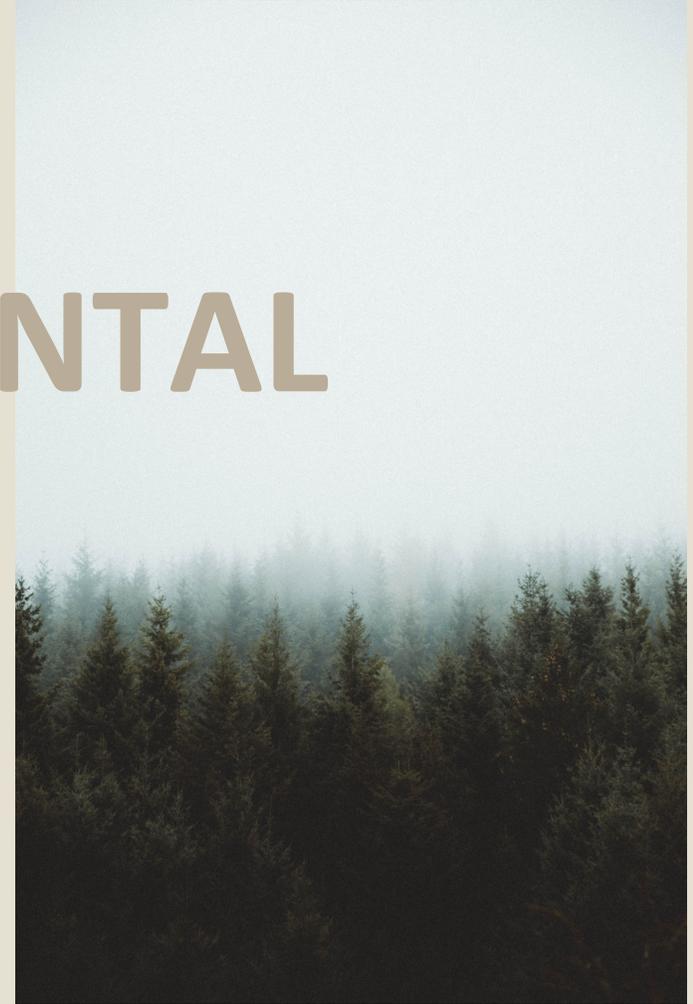


# NA-KD SALIENT ENVIRONMENTAL IMPACTS

Sustainability Dept  
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## About this document

Salient environmental risks have been identified through a cross-functional workshop with management representatives from brand & marketing, sourcing, operations and sustainability. Identified risks were prioritized based on severity and likelihood and the result validated by the sustainability team and summarized in this document.



Salient Environmental Impacts (1/3)

Environmental impact	Description	Materials and areas with highest risk	Our actions
<p><b>Contribution to climate change</b></p> <p><i>Article 3 of the Universal Declaration of Human Rights, Article 5 of the International Covenant on Civil and Political Rights and Article 12 of the International Covenant on Economic, Social and Cultural Rights, and the Paris Agreement</i></p>	<p>Indirect contribution to climate change due to energy intense production processes of yarns and fabrics that often run on fossil energy. Also the use of fossil based materials, such as polyester.</p>	<p>Synthetic fiber production, wood-based fibers (emissions from deforestation &amp; pulp production), energy use for fabric preparation, dyeing and washing, emissions from air transport</p>	<ul style="list-style-type: none"> <li>•Transitioning to organic and recycled materials</li> <li>•Working with supply chain partners to switch to renewable energy</li> <li>•Supply chain traceability and mapping, to reach suppliers further up the supply chain and identify geographical risk differences and related actions</li> </ul>
<p><b>Land used for textile production instead of food</b></p> <p><i>Article 3 of the Universal Declaration of Human Rights, Article 5 of the International Covenant on Civil and Political Rights and Article 12 of the International Covenant on Economic, Social and Cultural Rights</i></p>	<p>Land is a scarce resource as climate change also impacts the availability of productive land. Using land for cultivation of cotton and trees for textile production is competing with food production.</p>	<p>Cotton agriculture, wood-based fibers</p>	<ul style="list-style-type: none"> <li>•Transitioning to recycled materials, and aim to reach our target of 100% recycled synthetic and metal materials by 2030</li> <li>•Increasingly using certified organic materials and materials from agricultural residues</li> <li>•Supply chain traceability and mapping, to reach suppliers further up the supply chain and identify geographical risk differences and related actions</li> </ul>

Salient Environmental Impacts (2/3)

Environmental impact	Description	Materials and areas with highest risk	Our actions
<p><b>Land use impacting biodiversity loss</b></p> <p><i>Article 10 (b) of the 1992 Convention on Biological Diversity</i></p>	<p>One million animal and plant species face extinction. Cellulosic based materials may be connected to deforestation, which have a negative impact on climate change and biodiversity. Also, uniform crops without regenerative farming may have a negative impact on biodiversity, as well as chemicals and artificial fertilizers. Habitat loss due to area expansions and overproduction.</p>	<p>Cotton agriculture, wood-based fibers</p>	<ul style="list-style-type: none"> <li>•Transitioning to organic materials that are farmed in a way that is "safer" for nature</li> <li>•Using increasingly recycled materials that can reduce the pressure on land.</li> <li>•Accelerating implementation of circular design principles and expanding circular business models</li> <li>•Supply chain traceability and mapping to identify geographical risk differences and related action</li> </ul>
<p><b>Micro-plastic pollution</b></p> <p><i>The UNEA Resolution, End Plastic Pollution: Towards an Internationally Legally Binding Instrument</i></p>	<p>Polyester and other plastic based materials are releasing microplastics/fibres when washing. Plastic packaging may also lead to pollution if not recycled in the correct manner and also contribute to microplastic pollution.</p>	<p>Customers washing garments made with synthetic fibers. Not recycling plastic packaging</p>	<ul style="list-style-type: none"> <li>•Initiate selling of washing bags that reduced the amount of microplastics/fibres when customers wash their garments</li> <li>•Sustainable and circular packaging strategy focusing on recyclability of packaging and clear customer communication</li> </ul>
<p><b>Water impacts</b></p> <p><i>Article 3 of the Universal Declaration of Human Rights, Article 5 of the International Covenant on Civil and Political Rights and Article 12 of the International Covenant on Economic, Social and Cultural Rights</i></p>	<p>Dyeing and preparation of textiles are water intensive processes and may contribute to water shortages, especially in water scarce areas. This is also true for farming of conventional cotton, which requires a lot of water to grow.</p>	<p>Cotton agriculture, wood-based fibers, dyeing and preparation of textiles</p>	<ul style="list-style-type: none"> <li>•Increasing the share of recycled and organic cotton, which requires less water for production. Supply chain mapping to identify raw material origin.</li> <li>•Mapping of tier 2 and beyond to be able to work with factories with wet processes with targeted initiatives as well as raw material origin</li> <li>•Increase materials with closed loop systems and dyeing processes with less water, energy and chemical use, such as dope-, spin- and solution dye process.</li> </ul>

Salient Environmental Impacts (3/3)

Environmental impact	Description	Materials and areas with highest risk	Our actions
<p><b>Chemicals in production causing environmental pollution</b></p> <p><i>Article 3 of the Universal Declaration of Human Rights, Article 5 of the International Covenant on Civil and Political Rights and Article 12 of the International Covenant on Economic, Social and Cultural Rights, Article 3 (1) (a) (i) and Annex A of the Persistent Organic Pollutants (POPs Convention), and the Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade</i></p>	<p>Many textile manufacturing and production techniques require chemicals. If not managed properly, this risk causing environmental harm if released in nature, e.g. through untreated wastewater</p>	<p>Cotton agriculture, wood-based fibers, contaminated wastewater from production of synthetic fibers, textile dyeing and treatment, leather tanning</p>	<ul style="list-style-type: none"> <li>•Transitioning to organic, recycled and better produced products, and increase use of GOTS and GRS, that certifies the full production process.</li> <li>•Increase the use of closed loop systems in manufacturing, as well as, spin/dope/solution dyed fibers</li> <li>•Mapping of tier 2 and beyond to be able to work with factories with wet processes with targeted initiatives</li> </ul>
<p><b>Overproduction causing landfill</b></p> <p><i>Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal</i></p>	<p>With the fashion industry producing more than is sold, and still a struggle to recycle products at the end of life (both due to lack of infrastructure, recycling technology, and compositions that are unfit for recycling) too much textiles are still ending up in landfill, causing environmental problems. Especially in developing countries, due to export of textiles and textile waste.</p>	<p>All textile waste disposal to landfill, causing pollutants to waterways and through incineration</p>	<ul style="list-style-type: none"> <li>•Improve planning and buying accuracy to produce less overstock</li> <li>•Explore and identify up-cycling and reuse alternatives for overstock</li> <li>•Avoid exporting potential overstock and textile waste to non-OECD countries</li> </ul>