

NILÖRNGRUPPEN AB

Nilorn Modern Slavery and Human Trafficking Statement

Company profile

Nilorn's business concept is to offer sustainable profiling concepts that strengthen the image of customer brands. The concepts contain branding and design, product development, integrated logistics solutions and RIS (Retail Information Service). Nilorn's business concept is summarised in 'Adding value to your brand'. We value our workforce highly, employing around 500 people worldwide with offices and manufacturing bases in Sweden, Denmark, Belgium, Switzerland, USA, Germany, Italy, United Kingdom, Portugal, Turkey, Hong Kong, China, India, Bangladesh and Pakistan. The Group Head Office is located in Borås Sweden and the parent company Nilorngruppen is listed on Nasdaq Stockholm Stock Exchange. Our practices are governed both at a global and local level.

Our responsibility

We deliver our products to more than 65 countries around the world and are thus part of far-reaching supply chains. Since January 2017, Nilorn is signatory to the UN Global Compact corporate responsibility initiative. As a signatory, we voluntarily agree to align our operations and strategies with UNGC 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption, as part of our strategy, culture and day-to-day operations.

We aim to be leaders in sustainability in our business and, by signing the Global Compact, commit ourselves to continually improve our practices and to comply with laws and regulations and acting in accordance with commonly accepted best practices. Among those are regulations on human trafficking and forced labour, including but not limited to California Transparency in the Supply Chains Act of 2010 and the UK Modern Slavery Act 2015.

Human Trafficking and Modern Slavery

Supporting or participating in human trafficking and forced labour practices are clearly prohibited by the principles of Nilorn Supplier Code of Conduct. The requirements clearly define steps in the recruitment process to ensure that we do not contribute to human trafficking or modern slavery. The steps include but are not limited to proper verification of identity, prohibiting recruitment fees, and clearly communicating the terms and conditions of employment. Nilorn has zero tolerance to slavery and human trafficking

Suppliers

Nilorn seeks to do business with suppliers who share similar values and respect human rights. We require our suppliers to take actions that are consistent with the Nilorn Supplier Code of Conduct. Suppliers, including labour agencies and recruiters, are required to have processes in place to ensure that they do not take part in human trafficking or modern slavery. The Supplier Code of Conduct requirements are based on the ETI Base Code. The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognized code of labour practice.

The process to evaluate and address specific risks of human trafficking and slavery on our product supply chain shall be based on the SMETA methodology (Sedex Members Ethical Trade Audit). Evaluation is part of the supplier assessment and repeated at regular intervals. While Nilorn uses its contractual right to conduct on-site audits of selected suppliers, those on-site audits do not currently

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include specific assessment of human trafficking and modern slavery. It is part of the third-party audits that are being performed.

The Supplier Code of Conduct is a part of the contract with key suppliers. Currently, any business relationship with a supplier that fails to perform according to the requirements stated in Nilorn Code of Conduct would be re-evaluated. The relationship may eventually be terminated if the supplier does not demonstrate sufficient efforts to improve.

Training

The management team is responsible for compliance within their respective departments and in their supplier relationships and have been trained accordingly. All employees receive an induction into the business where our policies, procedures and expectations are outlined. As a responsible business, it is essential for employees to understand why respect for human rights is so important. Training and awareness-raising are therefore central to embedding this approach. A presentation of CSR and Sustainability at Nilorn is a mandatory part of the induction program.

In 2019, we put a lot of effort into equipping our employees with new competence through sustainability training. We held training in-person on corporate sustainability, but also made use of new IT-platforms to hold online education that would reach our employees wherever they are based.

Reporting misconducts

Nilorn employees are, under the terms of employment, expected to follow all applicable laws and all Nilorn policies, including the Nilorn Code of Ethics and Business Conduct. Employees who violate the Code or any employment policies are subject to disciplinary action, up to and including dismissal. Employees are encouraged to report all violations of the Code or other employment policies to their managers, an officer of the company or to the Human Resources department. The registration can be done personally by phone, e-mail or an anonymous letter. No reports are received from employees or other stakeholders to indicate that modern slavery practices have been identified.

Our effectiveness in combating slavery and human trafficking

Nilorn uses the following key performance indicators to measure how effective we have been to ensure that slavery and human trafficking is not taking place in any part of our business or supply chains:

- Supplier monitoring program including prohibition of the use of undeclared units.
- We maintain a level of communication and personal contact with the next link in the supply chain to ensure their understanding of, and compliance with, our expectations.
- Regular review of supply chain policies, CoC and working practices to show commitment.
- Training of employees

Going forward

We will continue to address the risks, develop and follow up our work to prevent modern slavery and human trafficking across the supply chain. Communication is done in our annual [sustainability report](#). This statement is updated annually covers the financial year ending Dec 31, 2019 and has been approved by the Board of Directors.

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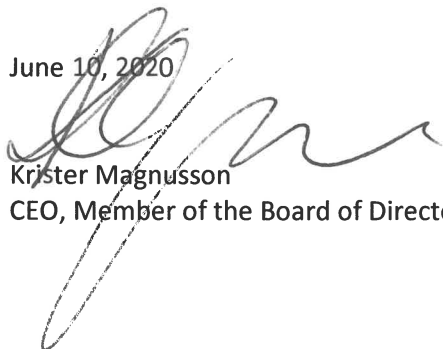
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June 10, 2020



Krister Magnusson
CEO, Member of the Board of Directors

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