

# 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 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 the ten universally accepted UNGC 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 UNGC, 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.

Due to the outbreak of Covid-19 and subsequent lockdowns in 2020 it has proven difficult to carry out site audits as we normally would. Virtual meetings have been conducted with many suppliers and will carry on this way until it is safe to continue physical site audits.

### 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 2020, we continued equipping our employees with new competence through sustainability training. Due to the Covid-19 pandemic trainings were online.

### 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 in 2020. During the reporting year, we received an anonymous complaint about one employee and unethical behaviour was reported. After an internal investigation, no evidence of bribery or breaches of our code of ethics was determined. We are also aware of the risk of some incidents not being reported. This, added to the fact that incidents still occur, proves the importance of continuing to provide relevant information and conducting training on our rules and standards. An online whistleblowing tool has been implemented in 2021. We encourage anyone to speak up if they suspect wrongful activity or misconduct and the tool is available both at the Intranet and [www.nilorn.com](http://www.nilorn.com)

### 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

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### Going forward

We continue to develop ways of monitoring the effectiveness of our policies and processes to prevent modern slavery throughout the value chain. Special focus for 2021 includes:

- Implementing the whistleblowing tools
- Continued development of training sessions, also including the supply chain.
- Improve reporting and monitoring of risks related to forced labour in our supply chain

Communication is done in our annual [sustainability report](#).

This statement is updated annually covers the financial year ending Dec 31, 2020 and has been approved by the Board of Directors.

June 23, 2021



Krister Magnusson  
CEO and Member of the Board of Directors

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