

NILÖRNGRUPPEN AB

Nilorn Slavery and Human Trafficking Statement

Company profile

Nilorn's mission is to design, manufacture and sell labels and label programmes in order to assist clients in the fashion and textile industry to strengthen their brand presence in international markets. Nilorn offers a complete line of branding services, from design to manufacturing, sales, logistics and service. The process includes branding identity and differentiation through design, product development, integrated logistics and other services within the supply chain. Nilorn is a global company, we have 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

Nilorn is committed to complying 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. As a globally operating company we recognise our responsibility to respect international standards and practices, such as those of United Nations (UN) Universal Declaration of Human Rights and Fundamental Rights at Work by International Labour Organisation (ILO).

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 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 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

SWEDEN BANGLADESH BELGIUM CHINA DENMARK ENGLAND GERMANY HONG KONG INDIA ITALY PAKISTAN PORTUGAL SWITZERLAND TURKEY USA

Nilörngruppen AB
Wieslanders väg 3
Box 499
501 13 Borås
SWEDEN

Telephone
+46 33 700 88 88

E-mail
info@nilorn.com

Website
www.nilorn.com

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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. We are evaluating how to provide this training to all employees regardless of location, online training is preferable. A presentation of CSR and Sustainability at Nilorn is a mandatory part of the induction program.

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

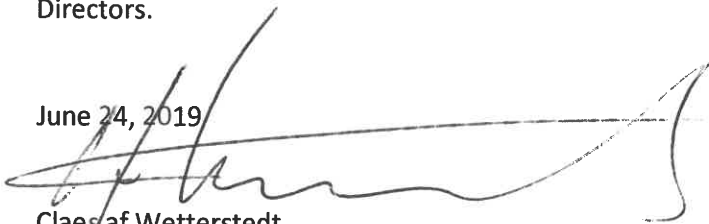
Nilorn uses the following key performance indicators to measure how effective we have been to ensure that slavery and human trafficking is not taking place in any part of our business or supply chains:

- 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.
- Annual supplier review.
- Regular review of supply chain policies, CoC and working practices to show commitment.

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 covers the financial year 2018 and has been approved by the Board of Directors.

June 24, 2019



Claes af Wetterstedt
CEO and Member of the Board of Directors

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