



ENVIRONMENTAL POLICY

Nakdcom One world AB

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1.0 NA-KD Environmental Commitment Mission Statement

In recognition of the environmental issues caused by the fashion industry, NA-KD focuses on a sustainable action plan to fulfil its responsibility towards the environment. This action plan aims to encourage collaboration between all stakeholders in a products lifecycle to significantly reduce the ecological impact of NA-KD's business activities. We aim to work only with suppliers and stakeholders who share our environmental values and continuously strive to improve their own sustainability practices. NA-KD is fully committed to educating both staff and customers on how they can contribute to making fashion a more sustainable industry.

2.0 NA-KD Environmental Policy

At NA-KD, we believe in collaboration with our suppliers and other business partners to achieve sustainable solutions and in meeting our standards in terms of environmental sustainability, working conditions and consumer safety. NA-KD requires its suppliers and business partners to act responsibly and to comply with all applicable environmental laws and regulations in the country of operation and follow international standards and regulations.

Suppliers and factories must also obtain and maintain relevant environmental permits and licenses for its operations, e.g. discharge monitoring. Furthermore, NA-KD promotes businesses that adopt precautionary approaches to environmental challenges, and strive to minimise harmful impacts on the environment, natural resources and on stakeholders. Usage of sustainable and environmentally friendly production methods and technologies is encouraged throughout the supply chain.

NA-KD promotes greater environmental responsibility when sourcing suppliers and manufacturers by requiring them to continuously review their environmental performance (e.g. in terms of usage and management of chemicals and hazardous substances, waste management, and energy and water reduction). NA-KD uses the Higg Index to evaluate how suppliers are performing with their regards to their environmental performance and sustainable practices. This self-assessment tool allows suppliers or manufacturers to assess their environmental performance and compare their performance with industry benchmarks.

We respond to any issues we might identify concerning the environmental performance of our suppliers, by communicating with the supplier and requesting that they take the correct actions to address the problem within a reasonable time frame. If a supplier continuously fails to meet our expectations and does not show willingness to improve their environmental performance, will ultimately lead to the termination of our relationship with them.

One of NA-KD's primary objectives is to improve the transparency across our supply chain. We believe that transparency is essential for our company, as it allows us to develop better stakeholder relationships and enables us to identify suppliers who may cause human and environmental abuses. Furthermore, we require our suppliers and vendors to be fully transparent on their environmental practices and to report on their practices in as much detail as possible.

3.0 Our Goals

As part of being a responsible and sustainable business, NA-KD is continuously searching for improvement opportunities at all phases of our value chain. Therefore, the following initiatives are implemented, or in the process of implementation, to improve our environmental footprint:

3.1 Packaging

We adopt eco-friendly packaging in our supply chain. Our aim is to phase out fossil-fuel-based packaging in order to move towards sustainable packaging. We are working on removing hazardous chemicals from our packaging system and increasing recyclable materials in packaging of products.

3.2 Pollution prevention / Potentially dangerous substances

At NA-KD, we focus on the quality of our products to ensure that they are produced as environmentally-consciously as possible. To guarantee the quality of products, we have developed a Restricted Substance List of the chemicals that are prohibited in the manufacturing of NA-KD products.

All suppliers must agree to follow this list, they are responsible to keep record of the chemical substances used in the manufacturing of NA-KD products and be able to declare that all products and materials comply with the restrictions detailed in this document. Documentation to support the above must be provided by the supplier, including lists detailing all chemical products used and Material Safety Data Sheets (MSDS).

3.3 Transport system

We have made great efforts to improve our shipping system and transform our transportation methods to more sustainable solutions. This attempt has resulted in shipping 48% of goods by sea in 2019. We are currently shipping only 6% of the products by air. Our goal in 2020 is to reduce the use of air freight as a transport system to below 5%.

3.4 Employee Travel

Employees are encouraged to participate in energy-efficient commuting. Car-pooling, walking, trains or bikes are some of the ways employees travel to work in order to reduce carbon emissions. Greater use of teleconferencing has been adopted when contacting suppliers abroad, in order to avoid unnecessary travel and to reduce carbon emissions produced.

3.5 Environmentally preferred materials

In response to PVC's toxic threats, we are in the process of phasing out PVC and switching to safer and healthier materials. From Q1 2019, NA-KD has implemented the use of EVA, which is a safer and more sustainable alternative for both the environment and our customers.

3.6 Energy Use

A lights-out policy has been introduced to encourage employees to turn off lights, computers and other equipment at the end of the workday when not in use. Appliances are also to be turned off standby whenever not in use. Natural Light, where possible, is to be used in order to limit the use of electrically powered lights.

3.7 Paper Use

Transitioning to 100% recycled paper for in-house printing is considered a long-term goal and double-sided printing/copying is to be the default setting for company printers. Separate paper recycling bins are to be implemented into office spaces and scrap paper re-use is to be promoted for the use of taking notes, phone messages or as notepads.

3.8 Waste Management

NA-KD is currently in the process of implementing an extensive waste management system. Internal education is also being planned for all relevant employees.

3.9 Single Use Plastic Free Office

Office spaces are free from single use plastics. Offices are fully equipped with plates, bowls, cutlery, coffee mugs and glasses. Additionally, employees are provided with water bottles to reduce the use of single use water bottles.