

NA-KD

MATERIAL ETHICS &
ANIMAL WELFARE POLICY

June 2021

INTRODUCTION

The Material Ethics & Animal Welfare Policy of Nakdcom One World AB (hereinafter, “the company” or “NA-KD”) sets the minimum standards for all our suppliers, manufacturers and other partners and stakeholders engaging in business with NA-KD in regards to material ethics and the treatment and handling of animals throughout our supply chain. We aim to maintain the highest ethical standards and business conduct related to material ethics and animal welfare and we want our customers to be aware of the products we distribute and that these are fairly and ethically sourced and manufactured.

We base our requirements on the Swedish Trade Federation’s Animal Welfare Policy¹ and expect our suppliers, factories and business partners to follow the Five Freedoms defined by the EU Farm Animal Welfare Council / World Organisation for Animal Health (OIE)².

- ▶ The Five Freedoms are:
- ▶ Freedom from hunger and thirst
- ▶ Freedom from discomfort
- ▶ Freedom from pain, injury and disease
- ▶ Freedom to express normal behaviour
- ▶ Freedom from fear and distress

Efforts to minimise negative impacts on the environment also applies to the sourcing of raw materials and natural fibres originating from animals, and other natural materials. NA-KD is committed to prioritising more sustainable alternatives to conventional materials, such as organic materials and recycled fibres. NA-KD expects all of its suppliers and other business partners to follow international standards and regulations, and local laws in the country of operation, regarding material ethics and animal welfare. Our strong belief is that no animals should come to harm for the sake of any goods produced and sold for NA-KD.

1. <http://www.svenskhandel.se/globalassets/dokument/aktuellt-och-opinion/nyheter/2017/animal-welfare-policy---svensk-handel.pdf>
2. <http://www.oie.int/en/animal-welfare/animal-welfare-at-a-glance/>

This document determines NA-KD's general standpoint on material ethics and animal welfare, which requires that:

- ▶ All parties involved in NA-KD production that are handling animals, animal derived materials or natural materials, directly or indirectly, shall follow this policy
- ▶ All parties involved in NA-KD production which are handling animals, animal derived materials and/or natural materials, directly or indirectly, shall follow national and international legislation regarding forbidden materials
- ▶ All suppliers should provide as detailed information as possible regarding the origin of the materials they use in NA-KD products, and support these claims with relevant certification

The material specific requirements in this Material Ethics & Animal Welfare Policy applies to the sourcing of raw materials for NA-KD products. The policy applies to all NA-KD products, including private label and collaborations. It should also guide the sourcing and purchasing practices of external brands sold through NA-KD's platform.

MONITORING AND ENFORCEMENT

The Material Ethics & Animal Welfare Policy applies to all stakeholders engaged in business with NA-KD, including suppliers and their sub suppliers, subcontractors and other business partners. It defines the ethical standards that guide NA-KD in all conduct of business and is expected to be abided throughout the entire supply chain.

NA-KD aims to maintain the highest standards of business integrity and transparency and expects the same from its suppliers. NA-KD believes in cooperation and is willing to work with its suppliers and other business partners in order to achieve more sustainable solutions, and to promote suppliers and other business partners who are in compliance with the Material Ethics & Animal Welfare Policy.

Any sourcing of natural resources throughout NA-KD's supply chain should follow a risk-based due diligence approach. NA-KD requires all suppliers, manufacturers and other business partners to provide information regarding the use of raw materials and/or natural fibres originating from animals in the manufacturing of NA-KD products. Thus, relevant and verifiable documentation must be maintained by all business partners.

NA-KD also expects all suppliers, business partners and other stakeholders, who are involved in the manufacturing of NA-KD products using raw materials and/or natural fibres originating from animals, to aim for creating awareness throughout the supply chain and informing all relevant parties of the requirements stated in this policy.

NA-KD reserves the right to perform inspections and audits to identify gaps between the requirements in this Material Ethics & Animal Welfare Policy and the actual practices and conditions in the production site and throughout the supply chain. Should the audits detect any violations of the Material Ethics & Animal Welfare Policy, corrective action will be taken by NA-KD, the extent of which depending on the severity of the violation. Generally, the audited supplier will be given the opportunity to propose and implement a corrective action plan. NA-KD shall in such cases follow up the implementation of the plan and verify that violations have been remedied. A supplier failing to undertake sustainable improvements within the stipulated time frame would seriously damage its relationship with the company.

Unwillingness to cooperate or repeated violations of this Material Ethics & Animal Welfare Policy and/or local law may lead to reduced business and ultimately termination of the business relationship. Furthermore, it should be noted that NA-KD reserves the right to withdraw orders from any supplier who intentionally withholds, conceals or falsifies information regarding their compliance, or in cases where evidence of breaches of this policy is found.

1. Faux products

Synthetic materials purposely mimicking animal products (e.g. faux fur and leather) must be described as “faux”, “fake” or with equivalent terms on the care label and in other product descriptions, in order to avoid any confusion with animal derived materials.

2. Vulnerable, endangered or exotic species

NA-KD does not allow any animal derived materials sourced from endangered species³ to be used in our products. This applies to all animal fibres (e.g. leather, fur, feathers, hair) listed in the Policy.

NA-KD does not allow any use of materials derived from exotic animals in our products, including (but not limited to) skins and fibres derived from lizards, alligators, snakes and crocodiles.

3. Leather

NA-KD does not allow any kind of leather or skin from animals that are slaughtered for other reasons than their meat. The leather should be a by-product of the food industry. This applies for all leather, including (but not limited to) leather derived from goat, cow, sheep, pig or buffalo.

The leather or the skin must not be obtained from aborted animals, e.g. purposely aborted calves and lambs.

The leather or skin must not be obtained from wild-caught animals, exotic animals or vulnerable and endangered species.

4. Fur

NA-KD does not allow any use of real fur in our products.

3. Species listed in the Convention on International Trade in Endangered Species (CITES) and the International Union for the Conservation of Nature (IUCN) Red List

5. Wool & hair

NA-KD only accepts wool and hair from farm animals that are treated ethically / sourced from producers with good animal husbandry.

Wool and hair must not originate from animals that have been handled, harvested or sheared in a way that harmed the animals.

All wool used in NA-KD production must be mulesing-free.

6. Mohair

NA-KD does not allow any use of mohair fibre in our products.

7. Cashmere

NA-KD only accepts cashmere from farm animals that are treated ethically / sourced from producers with good animal husbandry.

8. Angora

NA-KD does not allow any use of fur or hair derived from angora rabbits.

9. Silk

NA-KD does not allow any use of silk in our products.

10. Feather & down

NA-KD does not allow any use of down and/or feathers derived from birds fattened by force feeding, nor do we accept down plucked from living birds.

The down and/or feathers should be a by-product of the food industry.

NA-KD does not allow any use of feathers and/or down from vulnerable or endangered species.

11. Horn, bone & teeth

NA-KD does not allow any use of real horn, bone or teeth in our products.

12. Shells, pearls & coral

NA-KD does not allow any use of real shells, pearls or coral in our products.

13. Wood & non-timber products

NA-KD does not allow any use of wood or non-timber from ancient or endangered forests⁴ in our products.

14. Natural stone

NA-KD does not allow any use of natural stone derived from illegal quarrying and mining in our products.

15. Conflict resources

NA-KD does not allow any use of conflict resources⁵ in our products. This includes conflict minerals such as gold, tin, tungsten and tantalum sourced from the Democratic Republic of Congo or its nine surrounding countries. This also includes timber, cotton and other raw materials derived from conflict zones, that might fund conflicts in these risk-areas. Should any of these materials be used, risk-based due diligence is required, and the supplier must prove the origin and traceability of the material.

16. Animal testing

NA-KD does not allow any animal testing on our products – this applies to testing of ingredients and testing of the finished products.

4. Species listed in the Convention on International Trade in Endangered Species (CITES) and the International Union for the Conservation of Nature (IUCN) Red List

5. Conflict resources are natural resources that are extracted and traded in conflict zones to perpetuate the violence. Any sourcing of natural resources should follow a risk-based due diligence approach, as recommended in the COMMISSION RECOMMENDATION (EU) 2018/1149 of 10 August 2018.

17. Additional requirements

CAGE BREEDING:

NA-KD does not allow any use of animal fibre derived from animals reared in cages, including (but not limited to) raccoon, rabbit, mink, marten, chinchilla, fox, and squirrel.

TRANSPORTATION

Any transportation of animals used in any manufacturing of NA-KD

products must be conducted in an ethical manner that ensures protection from injury, suffering or distress

This policy applies to all orders placed after June 1, 2021

NA-KD

MATERIAL ETHICS &
ANIMAL WELFARE POLICY