



Sustainability
Report 2024

NA-KD

Index

About NA-KD	3
CEO	4
Our Value Chain	5
Accelerating Traceability & Transparency	6
2024 Highlights	7
The Big Picture	8
Vision, Mission & Values	9
NA-KD’s Sustainability Timeline	10
Our Sustainability Approach	11
Stakeholders	12
Elaborating on our most material topics	15
NA-KD Sustainability Governance	17

Sustainability Framework	18
01. Climate Action & Nature	19
02. Our Products	28
03. Circularity	36
04. Diversity and inclusion	42
05. Business Conduct	52
06. GRI Report 2024	54
Financial numbers	57
Risk Mangement	58
GRI Index	61



About NA-KD

Our Story

NA-KD is a global vertical direct-to-consumer fashion brand launched in 2016. We have a data-driven ‘online first’ approach, and our customers are our number one priority. We know our customers well. The majority are Gen Z and Y: women born between 1979 and 2007. Most of them live in Germany, Scandinavia, and the Netherlands, and during 2024 we again have gained increasing popularity in the US. Our customers want us to be authentic, trustworthy, and relatable – and to share their values on how we treat people and the planet. We don’t only speak to our customers; we also speak through them. We live in a symbiotic relationship with influencers and our customers, through design all the way to user-generated content. Our website had 117 million visitors in 2024, our app was downloaded close to 460 000 times, and our social media is one of the fastest-growing, with over 4.5 million followers.

We are disruptive in how we think and grow. For us, collaborating with influencers is just who we are. These collaborations are fuelled by influencer culture, bring energy and creativity to the mix, and of course drive traffic to na-kd.com. During 2024, we had 49 collaborations where influencers designed their collections together with us, and worked with over 1,300 influencers in total.

In 2024 we continued our journey towards decoupling growth from volume. Our net sales were 1,727 MSEK MSEK (2,013 MSEK). However, sales were negatively impacted by significant delays caused by payment issues and delayed deliveries. Additionally, during the year, we finalized a planned reduction in our workforce to decrease costs and steer the company towards profitability. By the end of 2024, our full-time equivalent (FTE) positions had decreased by 36%, from 257 at the end of 2023 to 164 FTEs. Despite these challenges, and although our absolute emissions increased by 10% in 2024, we have still achieved a significant reduction of 44% compared to our base year of 2020

To create the best and latest fashion for our customers, we are working together with independent factories. At the end of 2024, NA-KD had 105 producing factories, the majority in China and Turkey. Our warehouse operations in Sweden and the Netherlands, and our logistic partners are key in making sure the right product is being shipped to the right customer.



A Message from Our CEO

When I first stepped into the role as CEO of NA-KD, I knew I was taking on both an exciting and complex challenge. The fashion industry continues to face tremendous pressure - from stricter sustainability regulations to heightened expectations from customers and stakeholders who demand more responsible practices. And rightly so. As one of the world's largest industries, fashion carries a significant responsibility - not just to reduce its environmental footprint, but to help drive a cultural shift towards a more sustainable future. Equally important is our social responsibility - to ensure that the people behind our products are treated fairly, work under safe conditions, and have the opportunity to thrive.

In 2024, we made important strides on this journey. We launched our first Remake collection together with local manufacturers in Borås, Sweden. Breathing new life into old or faulty garments, we tackled the issue of textile waste head-on while celebrating local craftsmanship. We also took decisive steps towards more responsible sourcing - by sourcing cotton through the Better Cotton Initiative and launching our first collection made with REFIBRA™ technology, using recycled textile waste as raw material - small but important steps towards a more circular approach to fashion.

We completed our first double materiality assessment - an important step in preparing for the upcoming CSRD regulations. This process has helped us better understand where we can make the most meaningful difference - for our stakeholders, for society, and for the planet - while ensuring we are ready to meet the growing demand for greater transparency and accountability.

At the same time, this year also reminded us that progress isn't always linear and our journey has not been without challenges. Navigating the evolving regulatory landscape while balancing business priorities required difficult decisions, and at times progress was slower than we had hoped - including a drop in our share of low impact materials and increasing our emissions slightly from last year. But challenges like these remind us that sustainability is not a destination; it is a continuous process of learning, adjusting, and striving to do better.

Listening has been key. Through our stakeholder surveys, we've gathered valuable insights from customers, suppliers, and employees. Their feedback has been clear: we must strengthen our communication, accelerate circular business models, deepen our focus on ethical production, and continue educating ourselves and others on how fashion can - and must - change. It's a reminder that the journey we are on is not one we take alone - it's a collective effort, driven by collaboration and shared ambition, built on partnership and trust.



Looking ahead, we remain ambitious but humble. Our goals - 100% low impact materials, a 50% reduction in emissions, and a significant expansion of circular business models - reflect the direction we need to move in, knowing there is still a long way to go. A key part of this is our quality strategy, helping us design garments that are made to last - because future fashion must be made to endure, not to be discarded.

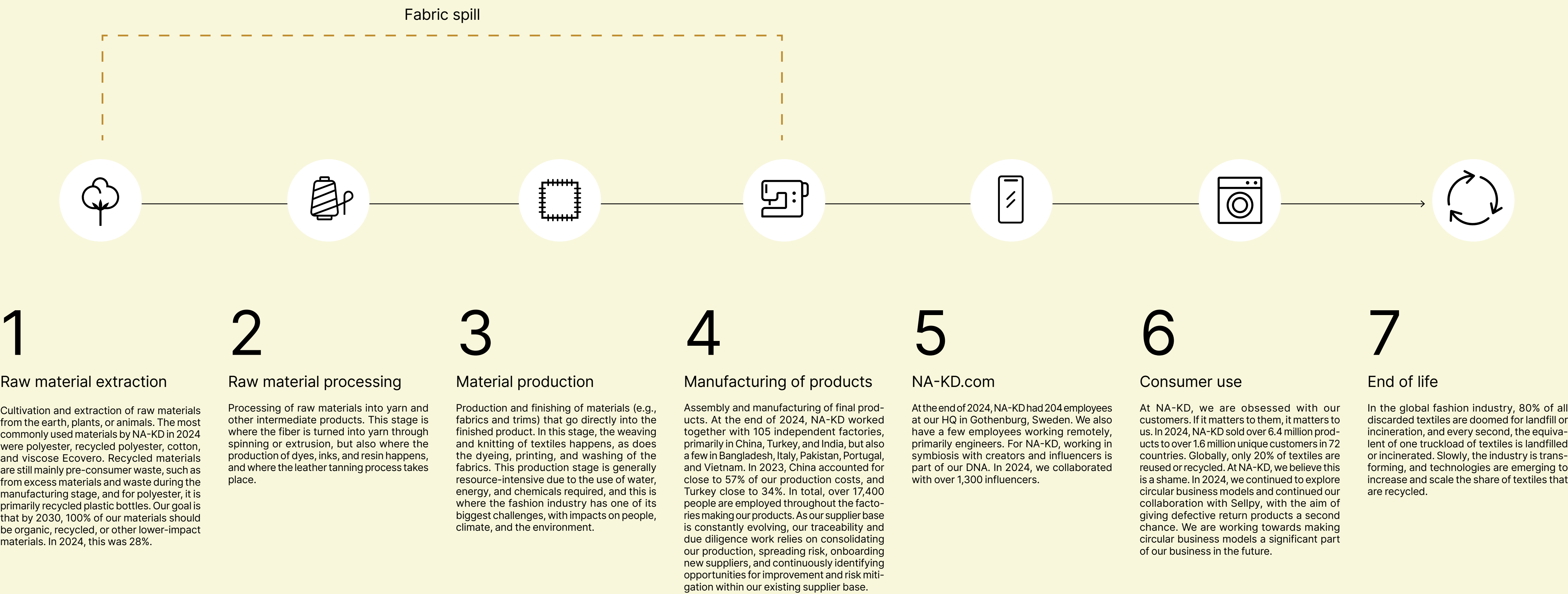
To me, leadership in sustainability means helping to build an environment where people can thrive - balancing professional and personal life, promoting equal opportunities, and acting on the feedback we receive. It's about doing the work every day to live up to the values we believe in.

The fashion industry has a long way to go, and so do we. But with creativity, humility, and collaboration, we are committed to being part of the change - and to learning and improving along the way.

Thank you for being part of this journey with us.

Mattias Jacobsson, CEO

Our Value Chain



Accelerating Traceability and Transparency

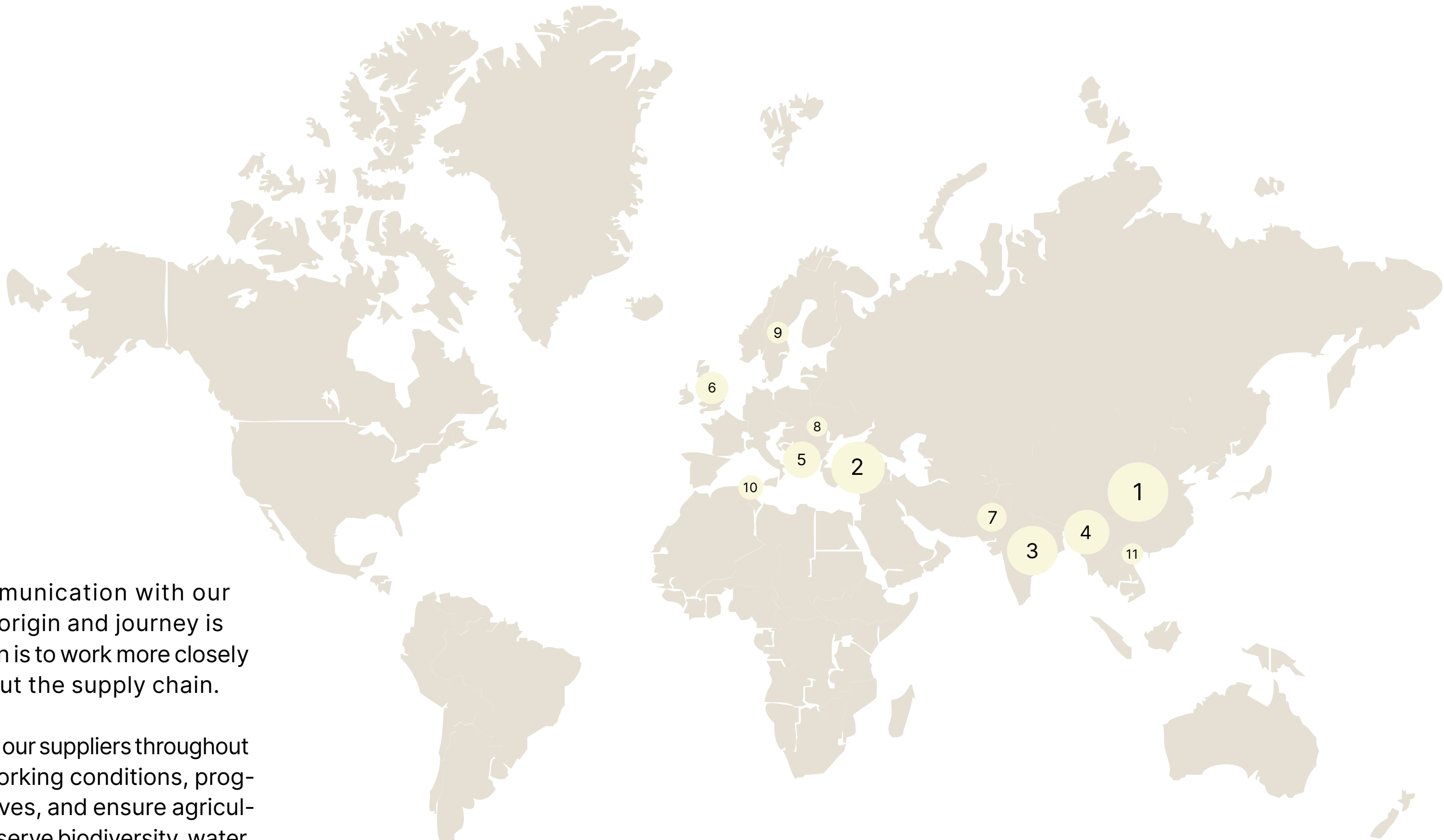
We have set out on a mission to increase traceability and transparency in our value chain, knowing that this is also where we have the greatest impacts on people, climate, and the environment. We gladly take on the responsibility and challenge, but we know it won't be easy because fashion supply chains are long, complex, and often opaque.

Since April 2021, we have had full transparency of our tier 1 factories – the garment facilities where cutting, sewing, and finishing take place are available in our supplier list on our website. As we strongly believe in industry collaboration, our list of producing factories is also shared with Open Supply Hub, an open-source map and database of global manufacturing facilities and their affiliations worldwide. We will continue to enhance our supplier list with additional details, including key sustainability metrics.

By 2030 at the latest, we want full traceability for at least 80% of our production, from tier 1 right back to raw materials. During 2024 we were mapping out our tier 2 suppliers, the mills that weave, knit, and dye the fabrics, these have been added to our supplier list in 2024.

Although transparent communication with our customers about product origin and journey is important, our main motivation is to work more closely with our suppliers throughout the supply chain.

We want to proactively support our suppliers throughout the value chain to improve working conditions, progress climate reduction initiatives, and ensure agricultural practices are used to conserve biodiversity, water, and soil, as we know that the biggest environmental and social impacts of our business are upstream in our value chain. We will make sure we communicate transparently about the social and environmental impact of our products in a clear, honest, and innovative way to our customers and other stakeholders.



The dots represent number of factories we worked with during the year. Small dots without country names represent one factory only. For a full overview of the tier 1 cut and sew factories we work with, please see the supplier list on our website [here](#).

1. China	7. Pakistan
2. Turkey	8. Romania
3. India	9. Sweden
4. Bangladesh	10. Tunisia
5. Albania	11. Vietnam
6. Great Britain	

2024 Highlights

We're on a sustainability journey, and we want to bring all stakeholders with us along the way—transparently, through ups and downs, tough challenges, and celebrating achievements together. It is only by collaborating with our different stakeholders that we will be able to reach our bold sustainability targets. Here are some of our highlights from the last year:

Conducted our first Double Materiality Assessment (DMA) in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)

Collaboration with Sellpy to give defective return items a second chance.

Achieving brand certification from Textile Exchange for organic and recycled materials, as well as for responsible wool.



Reduced an absolute emission reduction of 44% since our base year in 2020.

Did our first remake collection with local manufacturers outside of Borås in Sweden called XV Production.

Started sourcing cotton through **Better Cotton Initiative** to enable reaching our goal of phasing out all conventional cotton by 2025.

Launched three NA-KD Future collections, our product innovation test lab to make fashion fit for the future.



The Big Picture

Trends Shaping the Future of Fashion in 2024

A New Era of Green Politics
and Progressive Leadership

The EU's Green Deal and Textile Strategy are driving a long-overdue transformation in the fashion industry. These legislative frameworks aim to create a future-proof fashion ecosystem over the next 5–10 years, setting ambitious sustainability benchmarks. As a brand committed to shaping the future of fashion, NA-KD embraces these changes, recognizing the significant opportunities they bring.

Sustainability as a Mega Trend

Sustainability is no longer a niche—it's the defining trend in fashion. With Gen Z leading calls for climate action, brands face pressure to set ambitious targets and deliver tangible results. Product environmental footprints are becoming critical and may soon be a legal requirement. Organic and recycled materials are only the beginning; transparency and impactful innovation are paramount.

Setting the Standard for Sustainable Fashion

Copenhagen Fashion Week (CPHFW) has distinguished itself by enforcing strict environmental criteria for participating brands. Showcasing only designers that prioritize diversity and sustainable materials, setting a precedent for other fashion events globally.

These efforts set the benchmark for the global fashion industry, underscoring the importance of binding commitments over voluntary guidelines.

Circular Business Models Taking Center Stage

The second-hand market continues to thrive, forecasted to double to €34 billion by 2025. Rental fashion is also gaining momentum. Initiatives like **Stockholm's Hornsgatan Slow Fashion District**, launched in 2024, showcase how local artisans, secondhand stores, and sustainable consumer practices can shape slow fashion hubs. More brands are incorporating resale and rental models alongside traditional collections, reflecting a growing commitment to circularity.

Technology-Driven Transformation

Fashion is embracing technology to revolutionize sustainability and customer engagement. Digital Product IDs enable recycling and transparency. 3D and AI Technologies optimize production by predicting demand, reducing waste, and personalizing the shopping experience. Innovative materials such as bio-based fibers and smart fabrics signal a shift towards reduced environmental impact. Gender-neutral collections, spray-on fabrics, and wearable tech like menstrual underwear further highlight the creative potential of tech in fashion. Meanwhile, live-stream shopping and micro-influencer marketing resonate with tech-savvy Gen Z and Y audiences, reinforcing human connections in the digital age.

Global ESG Milestones

In 2024, key ESG developments have influenced global business practices. COP29 Climate Finance Negotiations emphasized the urgent need for mobilizing resources to combat climate change, though consensus on targets remains elusive. Within the EU, the Corporate Sustainability Due Diligence Directive (CSDDD), effective 2027, requires companies to address human rights and environmental impacts across their value chains, setting a new standard for corporate accountability.

The Impact of the Corporate Sustainability
Reporting Directive (CSRD)

The Corporate Sustainability Reporting Directive (CSRD) has become a cornerstone of corporate transparency in 2024, requiring companies across the EU to disclose detailed information about their environmental, social, and governance (ESG) practices. This directive goes beyond previous reporting standards by:

- Expanding the scope to cover large companies and listed SMEs.
- Mandating reporting in alignment with the European Sustainability Reporting Standards (ESRS).
- Ensuring data reliability through external auditing.

For fashion brands like NA-KD, CSRD presents both challenges and opportunities. While it requires increased effort to measure and report on sustainability initiatives, it also creates an opportunity to demonstrate leadership, build trust with stakeholders, and align with evolving consumer expectations for transparency and accountability. NA-KD will report according to CSRD for the first time for 2025 in 2026.

Through these shifts, NA-KD is proud to align with industry leaders, leveraging innovation and sustainability to create a more responsible and inspiring fashion future. With frameworks like the CSRD driving transparency and accountability, we are well-positioned to meet the challenges of 2025 and beyond, setting a precedent for impactful, transparent, and forward-thinking fashion practices.

01. Vision

Always making women feel at their best.

02. Mission

Together with our customer, we make NA-KD the top-of-mind fashion brand. We inspire and make women feel confident by providing them the latest fashion, easily accessible and fit for the future.

03. Values

Courage

We take risks to evolve and dare to fail, rather than never try. We speak up and use our voice for what we believe in.

Curiosity

We constantly seek new perspectives. We question our assumptions to create breakthroughs by challenging the status quo.

Momentum

We favour progress and simplicity. We take ownership and act and constantly push the limit of our potential.

Collaboration

We embrace diversity and inclusion and actively seek new ways to collaborate. We win and we lose together while making sure to have fun along the way.

Customer obsession

We see things from the customer's perspective and always put them first. We strive to deliver in every customer interaction.

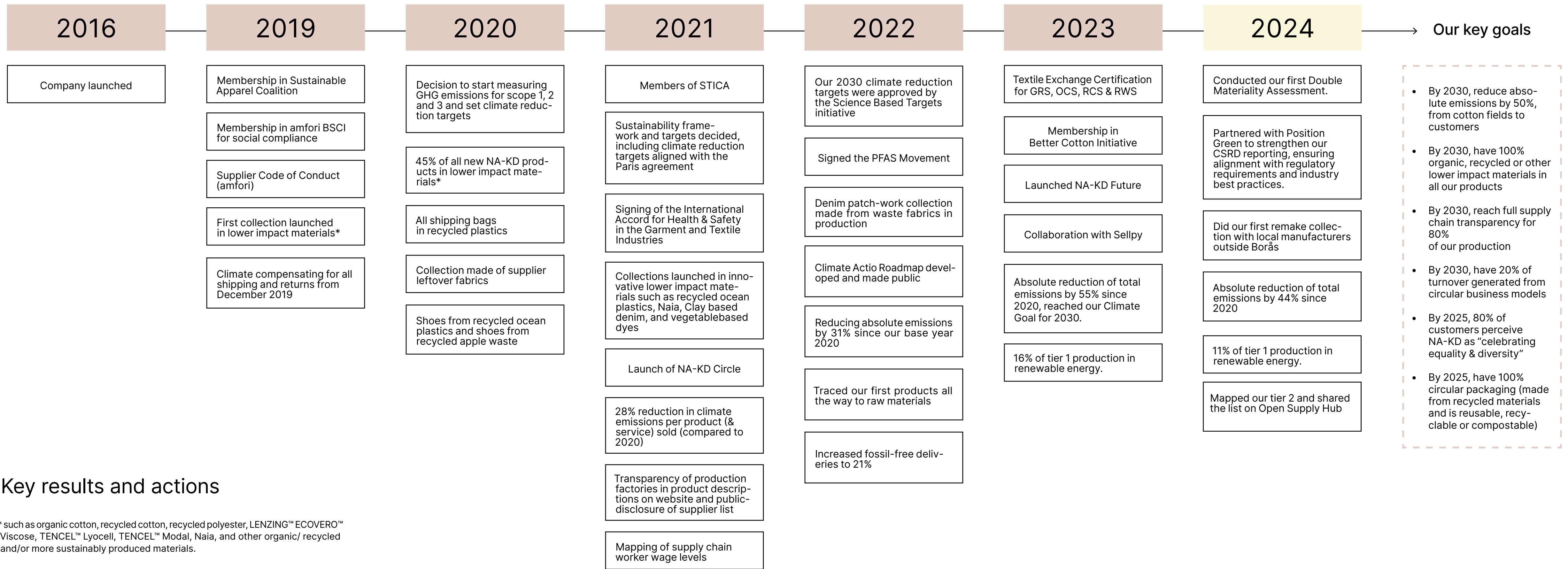
Fashion fit for the future

We want future fashion to be grounded in equality, diversity, and a deep respect for nature. To get there, we will use our creativity, agility, and energy, along with honest and open relationships with our customers.

Our vision, mission and our corporate values guide us in all our work. Our values are not just words that we stick on a wall. They are the beliefs, philosophies, and principles that drive our business. These brand values have been set together with our employees and are our company's DNA. They guide us in every decision and drive us in action and in our communication. Our values are included in our onboarding of new employees and we work with them on a regular basis, through workshops, activities and in company meetings. They are also part of our performance reviews. The CEO and Senior Management team are responsible for our values, which are available in English, our corporate language.

NA-KD's Sustainability Timeline

Commitments, memberships
& decisions



Our Sustainability Approach

Our sustainability strategy is grounded in a materiality assessment, an approach that allows us to build a clear picture of our actual and potential negative and positive impacts on the economy, environment, and people, including impacts on their human rights across our activities and business relationships. This process enables us to act quickly on important issues that will deliver the most progress against our sustainability goals while limiting and mitigating negative impacts and leveraging positive ones.

Our material topics have been identified through a lean process, starting with a high-level analysis of actual and potential impacts on the economy, environment, and people. Second, we prioritized the significance of our impacts, taking into account our stakeholders’ views in determining our material topics and their prioritization of significance.

Our highest risks of impacts on people and human rights have been identified through a human rights impact assessment. These risks are described in our salient human rights documents on our website, which include an overview of geographical and structural risks identified in our value chain. The impact assessment is based on the amfori BSCI country due diligence tool and the results from our social audits of our supply chain partners. Our salient human rights are, in no particular order of priority:

- Discrimination
- Harassment
- Victimization & Violence
- Health & Safety
- Living Wages
- Freedom of Association & Collective Bargaining
- Decent Working Hours
- Social Security
- Forced Labor & Modern Slavery
- Child Labor / Young Workers
- Access to Clean Water

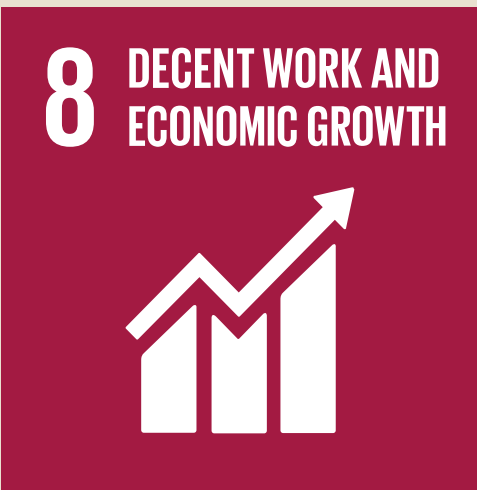
Equally, our environmental salient rights are:

- Contribution to Climate Change
- Land Used for Textile Production Instead of Food
- Land Use Impacting Biodiversity Loss
- Microplastic Pollution
- Water Impacts
- Chemicals in Production Causing Environmental Pollution
- Overproduction Causing Landfill

These risks have been identified through an environmental impact assessment conducted at the highest level of the company and are also detailed on our website, along with materials and areas with the highest risks and our actions for mitigation.

As a young and fast-moving company with a young customer audience, we believe we have an opportunity to contribute to a circular economy through circular business models, which is a key aspect in reducing our climate and environmental impacts. By collaborating with our customer community, we also have an opportunity to inspire and make women feel at their best by wearing NA-KD fashion and amplifying the voices of our customers. Additionally, we believe in enabling our employees to grow internally through cross-functional career paths and fostering a culture where nothing is impossible.

The five Sustainable Development Goals we contribute to the most are:



We are dedicated to contributing to the Sustainable Development Goals as formulated by the United Nations—for the sake of our future and all of us, but also because that’s the way we want to do business. Our sustainability work is a fundamental part of who we are.

Stakeholders

A stakeholder is an individual or group that has an interest in a company and can either affect or be affected by its business. Our key stakeholders have been selected based on those we interact with who can impact NA-KD as a business or whom we, in turn, impact with our business. These stakeholders have informed our process of determining our most material topics. Our stakeholders include our customers, colleagues, influencers, owners, business partners, academia, and wider society. Our approach to sustainability involves close collaboration with these stakeholders—only together with them will we achieve our goals.

Customers

Our customers are always our number one priority, and we are obsessed with understanding them—if it matters to our customers, it matters to us. The journey to becoming more sustainable—for our business and our industry—is full of challenges, and we will only succeed by collaborating with our customers. For example, how can we best support them to adopt more sustainable consumption behaviors, such as selling and buying preloved items? To ensure we are truly listening to what our customers want and need from us regarding sustainability, we are conducting customer surveys and maintaining a close, ongoing dialogue through our dedicated customer service team and social media team.

Based on our continuous customer dialogue, our customers’ top three impact areas for NA-KD are:

- 1. Quality and price balance
- 2. Sustainable and ethical practices
- 3. Lower impact materials in products

Colleagues

Our colleagues make us who we are. Without their creativity, passion, and talent, we would not be able to serve our customers the way we do. That’s why our colleagues are so important to our sustainability journey—their ideas and abilities will take us to the next level. The physical and mental well-being of our colleagues is of utmost importance to us. We are also dedicated to ensuring everyone has an equal opportunity to succeed. By listening to our colleagues’ feedback through employee satisfaction surveys, continuous dialogues, and performance reviews, we have identified the top three areas where NA-KD is seen to have the most impact:

- 1. Products with better quality and lower environmental impact
- 2. Working conditions at NA-KD and throughout the supply chain
- 3. Sustainability governance by the board and senior management

Our Sustainability Approach

Influencers

We've always worked symbiotically with our influencers. They speak our minds, and we truly want to amplify diverse voices from around the world through our platforms. We maintain ongoing dialogue with all creators we work with daily through our performance management team, key account managers, and collab design and purchasing teams. Based on these continuous dialogues, the top areas where NA-KD has an impact are:

1. Sustainable and ethical practices
2. Lower impact materials in products
3. Design for longevity

Business Partners

NA-KD works with a variety of business partners, including producing vendors, wholesale and retail partners, and logistics and distribution partners. Our producing vendors are key to our operations. We do not own any factories but collaborate with supply chain partners for the production of our products. At the end of 2023, we worked with 110 tier 1 factories. Together, we constantly strive to improve their environmental and social performance. We are always seeking suppliers that offer innovative and lower-impact materials and production methods. Based on these continuous dialogues, the top areas where NA-KD has an impact are:

1. Responsible purchasing practices
2. Lower impact materials and certificates management
3. Investments in renewable energy and chemicals, including for sub-suppliers

Academia & Research

We all need to listen to the science on climate change, which tells us to act quickly and decisively to reduce global emissions by at least 50% by the end of the decade. For the fashion industry to become more sustainable and circular, we need scalable solutions for recycling textiles and maintaining closed-loop systems. We continuously monitor the latest research on climate change and lower-impact fashion practices. Based on this, the top three areas science identifies as impactful for NA-KD are:

- Transforming supply chains to fossil-free production
- Transitioning to circular business models
- Thinking holistically and addressing all aspects of sustainability, including water, biodiversity, working conditions, and human rights

We have continuous dialogues with our suppliers and have held more regular meetings with key suppliers focused on sustainability since 2021. Based on these dialogues, the top three areas for NA-KD to focus its sustainability efforts are:

1. Responsible purchasing practices
2. Lower impact materials and certificate management
3. Investments in renewable energy and chemicals, including for sub-suppliers

Owners

Our owners trust that we can overcome obstacles and win more customers in a sustainable way. They guide our long-term vision and strategy, making them critical partners in our sustainability journey. Based on our continuous dialogues with our owners on the Board of Directors, the top three areas where NA-KD has an impact are:

- 1. Securing product compliance in a complex and fast-changing regulatory environment
- 2. Delivering on the Climate Action Roadmap
- 3. Strengthening strategic business relationships in the supply chain

Society

At NA-KD, we are attuned to new social and cultural movements and trends. We stand by our values of equality and diversity, supporting BLM and LGBTQIA+ rights. We believe that our momentum, collaboration, and curiosity around climate change issues will bring more people along on our sustainability journey. Our collaboration with societal stakeholders includes NGOs, policymakers, peers, and multi-stakeholder initiatives like the International Accord for Health & Safety in the textile and garment industry and STICA. Based on input from these stakeholders, the greatest areas of impact for NA-KD are:

- 1. Climate change and mitigation, including circularity
- 2. Transparency and communication
- 3. Women’s and workers’ rights

Elaborating on our most material topics

Based on our materiality assessment described above, our most material topics are listed and described below. Runner-ups are water, biodiversity, microplastics, chemical management, transport, packaging, and marketing communication. These topics are also touched upon throughout this report.

Our most material topics

- Climate action
- Lower impact materials
- Transparency
- Circular products and business models
- Diversity and inclusion
- Female empowerment

Circular products and business models

This is about thinking circular in everything we do as well as increasing revenue streams from new business models. We need to do this journey in collaboration with our customers, and with support of policy decisions and regulation to drive change towards circularity. There is a potentially very positive impact on both environment and economy if NA-KD is part of succeeding with this transformation, from being able to meet our climate reduction targets to reaping the economic benefits from staying competitive in the future landscape for fashion. Related policies: Environmental Policy, NA-KD Code of Conduct, Supplier Code of Conduct.

Related policies: Environmental Policy, NA-KD Code of Conduct, Supplier Code of Conduct Read more on our policies, commitments, processes, actions taken and effectiveness in the chapter on Circularity, page 36.

Climate Action

Reducing climate and environmental impact from our business and products is a key business driver. Focus is twofold on transitioning to circular business models and minimising negative environmental impact from the making of new products, which is the part of the value chain with the biggest impacts. For most of our key stakeholders, this is a prioritised topic, as urgent climate action is needed – and as businesses that adapt to and rethink their business models, are likely the winners in the long run.

Related policies: Environmental Policy, NA-KD Code of Conduct, Supplier Code of Conduct. Read more on our policies, commitments, processes, actions taken and effectiveness in the chapter on Climate Action, page 9.

Female empowerment

NA-KD is a brand for everyone, but our primary target group is women. We believe that we have a potential positive impact on women as we want to lift women’s voices and empower women everywhere, whoever they are. This is part of our vision – always making women feel at their best. We see this opportunity especially for our customers, creators and our colleagues, as well as stakeholders in wider society. We believe we can inspire and make women feel confident in several ways – for our customers by wearing NA-KD fashion, for our collaborators by giving them access to our wide channels on social media, and by lifting all the fabulous women working at NA-KD.

Related policies: NA-KD Code of Conduct, Human Rights Policy, Work Environment Policy, Equal treatment policy. Read more on our policies, commitments, processes, actions taken and effectiveness in the chapter on Diversity & Inclusion, page 42.

Lower impact materials

Our customers are our number one priority, and more lower impact materials are their number one priority when it comes to sustainability. Our materials, from raw materials to the making of fibers, yarns and fabrics, have the biggest climate, water, and chemical impact across our value chain. Hence, moving towards lower impact materials reduces these negative impacts throughout our value chain, at the same time as we live up to customer expectations.

Related policies: Environmental Policy, NA-KD Code of Conduct, Material Ethics & Animal Welfare Policy, NA-KD Restricted Substances List. Read more on our policies, commitments, processes, actions taken and effectiveness in the chapter on Our Products, page 28.

Our Sustainability Approach

Product traceability & transparency

Transparency and honesty are what build the foundation of any stakeholder relationship. To future-proof our business, NA-KD is on a journey to become even more transparent. The risks of not being transparent in our communication is to lose credibility and trust from our stakeholders, and ultimately lose sales. A key to taking action and managing impacts from most of our material topics is product traceability. As oftentimes our greatest negative environmental and social impacts are upstream supply chain, knowing the products’ value chain is of utmost importance to both address our impacts and to be able to be transparent to our stakeholders about our value chain and impacts.

Related policies: NA-KD Code of Conduct. Read more on our commitments, processes, actions taken and effectiveness in the section about our value chain on page 5.

Diversity and inclusion

The main focus for NA-KD in this area is in our own operations and employees’ work situation. We have an opportunity to be diverse and inclusive as a company and mitigate the risks for discrimination, harassment and bullying. This is also a significant factor in our communication to and with our customers and creative business partners – we strive to ensure that we champion diversity and inclusion in everything we do, from the models we use to being inclusive in language and overall communication. Naturally, diversity and inclusion is also vital in our work with supply chain business partners, especially with regards to the right to non-discrimination, harassment, and violence. The risks for not addressing diversity and inclusion, or any potential human rights impacts across our value chain, can be immense – for both people and our business. We make products for people, made by people, and that’s why people are at the core of what we do.

Related policies: NA-KD Code of Conduct, Human Rights Policy, Work Environment Policy, Equal treatment policy, Supplier Code of Conduct. Read more on our policies, commitments, processes, actions taken and effectiveness in the chapter on Diversity & Inclusion, page 42.



NA-KD's Sustainability Governance

NA-KD's highest governance body is the Board of Directors, which includes representatives from two of the three largest shareholders, along with an independent Chairman. The CEO reports directly to the Board of Directors. NA-KD's Senior Management Team, led by the CEO, comprises managers from key areas of the company, including Operations, Sales & Marketing, Purchasing, Sourcing, Engineering, Finance, and People & Culture.

The Board of Directors is ultimately responsible for NA-KD's impacts on the economy, environment, and people. The Senior Management Team is tasked with operational execution, including developing, approving, and updating the organisation's purpose, values, and mission statements, strategies, policies, and goals related to these impacts. This work is led by the Head of Sustainability & Quality, who reports to the Chief Purchasing Officer.

NA-KD's sustainability work is guided by our internal Code of Conduct, which was updated in 2021 and communicated to all employees, followed by annual training. NA-KD outlined its sustainability strategy—Deliver fashion fit for the future—at the beginning of 2021. The sustainability objectives and key results are integrated into all teams through our performance management system, based on relevance to each team's daily tasks. This approach ensures that sustainability performance and governance are a natural part of NA-KD's quarterly objectives and key results.

Special focus is placed on:

- Reduction of CO₂e per product (and service) sold
- Product sell-through rate
- Share of lower impact materials

These goals are addressed both at the corporate level and for each product category.

Sustainability Framework

Fashion fit for the future

We want future fashion to be grounded in equality, diversity and a deep respect for nature. To get there, we will use our creativity, agility, lots of energy and an honest and open relationship with our customers.



01. Climate action and Nature

Our customers want climate action now and demand a more sustainable approach.



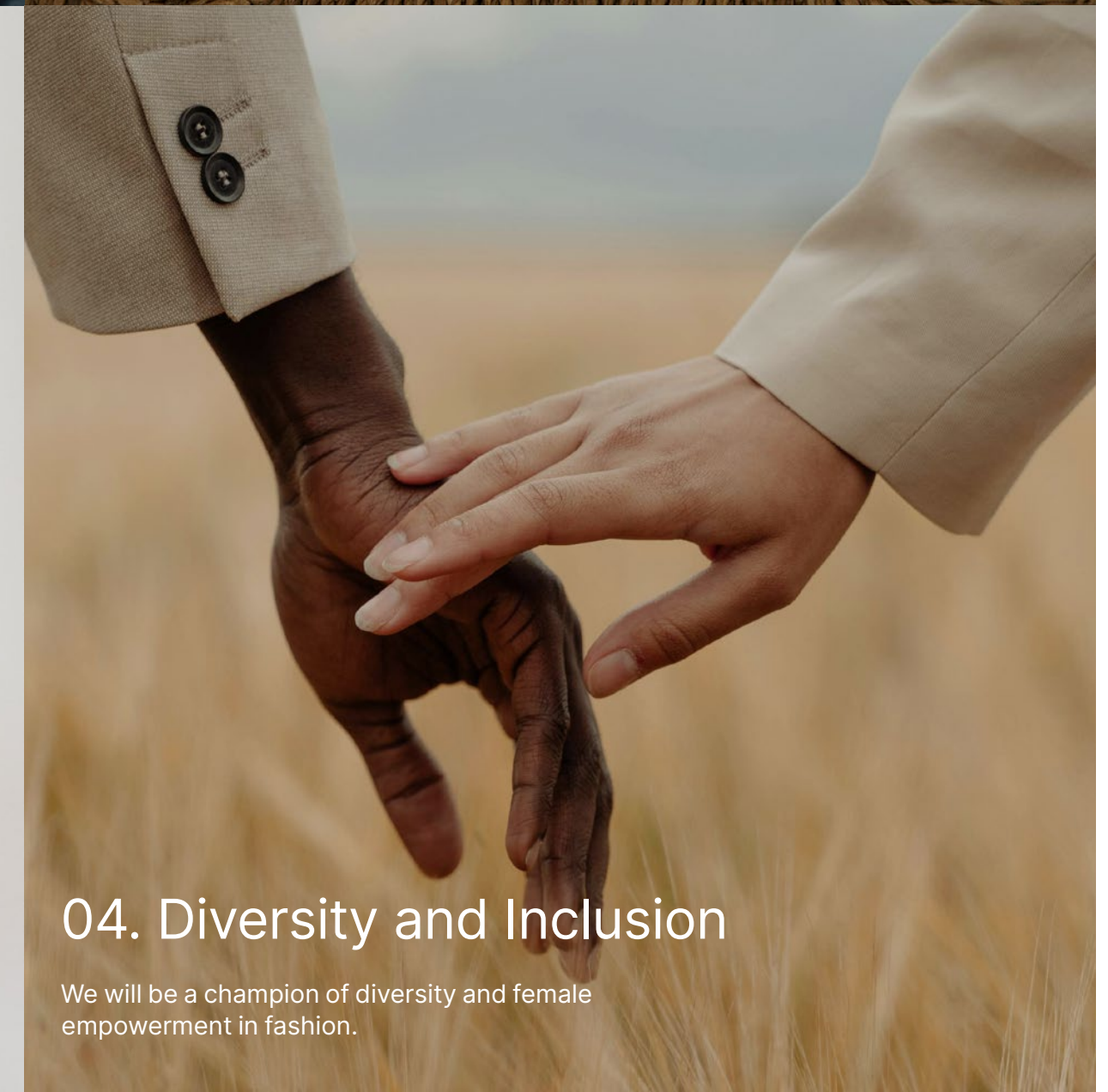
02. Our products

We want to drive positive change on both supply and demand for more sustainable products.



03. Circularity

The fashion industry needs to shift to a circular model.



04. Diversity and Inclusion

We will be a champion of diversity and female empowerment in fashion.

01. Climate Action and Nature

At NA-KD, we recognize the fashion industry's substantial impact on climate and nature. We understand the interconnectedness of climate change, resource use, biodiversity, water scarcity, human rights, and livelihoods. Our commitment is to address climate change while striving to protect and conserve biodiversity, clean water supplies, ecosystems, and natural habitats affected by our operations.



01. Climate Action and Nature

Policies

In NA-KD’s Environmental Policy, we state our commitment to addressing environmental challenges. This includes avoiding adverse impacts, promoting biodiversity, ensuring sustainable resource use, controlling pollution, and practicing responsible water stewardship that respects the needs of local communities. We strive for sustainable consumption and production through circular business practices, contributing to climate change mitigation and adaptation with a science-based approach supporting the 1.5-degree pathway.

Our measures include reducing emissions from materials, volume reduction, optimizing transportation logistics, and supporting business partners in adopting energy efficiency and renewable energy. We aim to build a resilient business with a focus on climate adaptation, collaborating with suppliers to enhance climate resilience. We actively measure, monitor, and work towards reducing emissions across our value chain.

In NA-KD’s Code of Conduct, we have outlined our dedication to the climate and our efforts to minimize the environmental impacts of our product life cycle, such as resource use, emissions, negative impacts on water, and waste, while moving towards a circular economy. This includes striving to reduce, reuse, repair, repurpose, and recycle all materials used at NA-KD.

We aim to choose recycled or reused alternatives when making purchases and increase our share of organic, recycled, or other lower impact materials in our products. Reducing our carbon footprint across our value chain and shifting towards circularity are of utmost importance to us.

Impacts, risks, and opportunities

Environmental risks to our business, value chain, communities, and the planet include the depletion of natural resources, climate change, biodiversity loss, land use change, water impacts, and changing consumption patterns. Many environmental risks are closely connected to human rights risks, such as land rights and livelihoods, access to clean water, and the impact of climate change on communities with inequitable access to resources or finance. More details can be found in our **Salient Environmental Impacts document**.

NA-KD’s main impacts on climate and nature occur in the supply chain, particularly in fabric manufacturing and processes like dyeing and washing, which are often energy- and water-intensive. These processes, together with raw material extraction, account for approximately 60% of our greenhouse gas emissions and represent one of the industry’s biggest challenges regarding water pollution.

New EU climate and environmental legislations and emission taxes may increase production costs due to renewable energy requirements or raise import prices because of taxes. This dual challenge presents both risks and opportunities, depending on our capacity to transition away from fossil fuels in the supply chain. Additionally, risks from extreme weather events may disrupt distribution and production in specific countries. Evolving customer attitudes and preferences, such as increased demand for low-impact products and services, also require our adaptability to meet these market changes.

Customer-centric opportunities include offering circular business models, low-impact products, and transparent communication on environmental and climate impacts to enable informed choices. For example, choosing second-hand items has, on average, a 70-times lower impact than purchasing new products, according to EuRIC. Our efforts to improve material sourcing and adopt circular business models align with our climate, water, biodiversity, and chemical goals.

As a relatively small brand with limited leverage, collaboration with industry peers is a strategic opportunity. Through initiatives like the **Scandinavian Textile Initiative for Climate Action (STICA)**, we aim to positively influence our supply chain partners.

Additionally, we have opportunities to engage in projects promoting regenerative agricultural practices, fostering plant diversity, restoring soil health, and enhancing biodiversity. Examples include initiatives like the Better Cotton Initiative or the use of certified organic cotton.

01. Climate Action and Nature

Strategy

To keep global warming below 1.5 degrees, in line with the Paris Agreement, we have an ambitious plan. Our goal is to reduce absolute climate emissions by 50% by 2030 across our value chain. To achieve this, we have developed a climate action roadmap, which focuses on reducing overall resource use. This involves creating products our customers want, made with lower-impact materials and processes, while increasing our circular business models.

To integrate climate action into our business strategy, we track progress toward our objective of reducing climate impact by 50% per product (and service) sold by 2025. This is followed up on a yearly basis through the company’s OKRs. Annual absolute emissions are closely monitored and transparently shared with all employees, fostering accountability and awareness.

Transition plan for climate change mitigation

The baseline period for our transition plan corresponds to the full year of 2020, and the plan for reducing our carbon footprint extends to 2030. In 2021, we conducted our first climate audit for FY2020, where we identified our system boundaries and scopes in accordance with the GHG Protocol.

In 2022, we developed our Climate Action Roadmap through close collaboration between the sustainability, purchasing, logistics, financial departments, and our CEO.

This ensured that the roadmap is fully aligned with our financial goals and integrated into our overall business strategy. The transition plan was approved by the CEO.

Two key goals guided the creation of our Climate Action Roadmap: our financial goal and our emissions reduction goal. By analyzing various growth and emission reduction scenarios, it became clear that decoupling growth from volume is essential to achieve our targets.

The roadmap focuses on four critical parameters:

- 1. Increasing our full-price sell-through rate
- 2. Lowering emissions in the production of new products
- 3. Increasing revenue from circular business models
- 4. Decreasing overproduction

An overview of the Climate Action Roadmap is provided. Read more on the next page for descriptions of each scope, decarbonization levers, key actions, and our progress. Due to faulty reports for material data 2023, Scope 3 Purchased goods and services has been recalculated as well as all overall targets.

Our objective

Reduce our absolute emissions across our value chain in line with the Paris Agreement.

	2022	2023	2024
By 2025, reduce emissions from our own operations by 80% (scope 1 & 2)	-74	8.9	-26
By 2025 reduce emissions by 50% per product (& service) sold (scope 1, 2 & 3)	-48	-36	-19
By 2030, reduce absolute emissions by 50% (scope 1, 2 & 3)	-36	-49	-44
By 2030, have 75% of our production volume being made with renewable energy	3	16	11
By 2030, have 75% of our last mile truck deliveries fossil free	21	26	25
By 2030, reduce emissions by 45% from product materials through volume reduction and moving towards using best available technology	-33	-50	-47

01. Climate Action and Nature

Decarbonization levers, actions and results

In 2024, we achieved a 44% (55%) reduction in absolute emissions from our 2020 base year, with an approximate 15% lower revenue compared to the same base year, but with significantly reduced purchasing volumes. Our emissions per product sold increased from 4.9* CO₂e in 2023 to 6.2 CO₂e in 2024 due to a decrease in sales and increase in emission. The increased emissions mainly arrived from an increase in air shipments both from inbound and outbound shipments.

We used the Greenhouse Gas (GHG) Protocol to calculate our 2024 climate impact. The GHG Protocol is a global, standardised framework to measure and manage greenhouse gas emissions. The Protocol measures: Scope 1: Direct emissions from our own operations Scope 2: Indirect emissions from energy that we buy Scope 3: Indirect emissions from upstream and downstream our value chain.

*Updated data for 2023 due to faulty material reports.

Scope 1: Direct emissions from our own operations
Scope 2: Indirect emissions from energy that we buy
Scope 3: Indirect emissions from upstream and downstream our value chain.

Scope 1 and 2 - Our own emissions

In scope 1 and 2 we have our own emissions. These stand for less than 0.1% of our total emissions and include our company cars where our goal is to replace petrol and diesel cars with fossil-free alternatives. For company-operated facilities, our goal is to change to renewable electricity and heating sources in all of our own facilities. Our emissions in scope 2 have increased due to our new warehouse in the Netherlands, where we are yet to install solar panels.

Decarbonisation levers and key actions

- 1. Replace company cars to fossil-free alternatives: 1 out of 4 company cars are fossil-free, 2 hybrid and 1 running on only fossil fuel.
- 2. Switch to renewable energy for all our facilities: The solar panels on our Swedish warehouse roof supplied over 29% of its electricity needs in 2024, totaling 158,733 kWh.

base year						
Total Emissions	2020	2023	2024	Difference since base year		
Total Scope 1 CO ₂ e emissions (tonnes)	10	10	4	6	Absolutes	-40%
Total Scope 2 CO ₂ e emissions (tonnes)*	177	194	138	-39		-22%
Total Scope 3 CO ₂ e emissions (tonnes)	70.048	35.783	39.310	-30.738		- 44%
Total CO ₂ e emissions (tonnes)**	70.764	35.994	39.452	31.312		-44%
CO ₂ e per product (& service) sold (kg)	7.6	4.9	6.2	1.4		-19%

Calculations in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

base year				
Scope 1 and 2	2020	2023	2024	Difference since base year
Scope 1 emissions	10	10	4	-60%
Company cars	5,1	10	4	-22%
Refrigerant leakage	5	0	0	-100%
Scope 2 emissions	176.8	194	138	-22%
Electricity	121.5	160	101.4	-17%
Heating	55.3	34	36.4	-34%
Total (tonnes CO ₂ e)	181.9	204	138	-24%

* Scope 2 emissions under the market-based approach is equal to 40.8 tonnes CO₂e. Under the location-based method (using grid average emission factors), scope 2 emissions were 8.3 tonnes CO₂e. ** Further details in the GRI Index.

01. Climate Action and Nature

Scope 3

In scope 3 we have our value chain emissions. These account for the majority of our total emissions, over 99%, where raw materials and the production of materials are the biggest sources of NA-KD’s emissions. This chapter is structured into different sub-areas, such as production (tier 1, tier 2–4, packaging materials), shipping (inbound, outbound, samples and internal transfers, returns), circular business models, and business travel.

Our scope 3 emissions

Emissions category	2020	2023	2024	Difference since base year
Tier 2-4: Material and textile production*	47.217	23.539	25.112	-47%
Tier 1: Manufacturing**	9.668	2.845	2.707	-72%
Transports and distribution***	9.843	6.873	9.906	1%
Packaging****	2.353	1.122	708	-70%
BTY by NA-KD	-	0		-100%
Rental business model	0.3	0		-100%
Third party warehouses	949	636	320	-66%
Business travel	531	727	528	0%
Production of energy used within own operations	16	45	29	81%
Refrikeant leakage	5	7	0	-100%
Total (ton CO ₂ e)	70.582	35.794	39.310	-44%

Production, tier 1

For tier 1, we aim to reduce our emissions with three different actions. The first one is to change the location of the production to countries with grids with lower emissions. The second one is to support our tier 1 facilities to change to renewable energy. Our goal is that 75% of our volume in tier 1 production will be produced with renewable energy by 2030. The third action is to reduce our volumes, which will reduce the virgin production and the emissions connected.

Decarbonisation levers and key actions

1. Change production locations to locations with low and blended energy mix: In 2024, 35% (36) of our production was in low and blended emission grid locations.

2. Supporting Factories in Advancing Renewable Energy Adoption: We have continued our efforts to encourage factories to transition to renewable energy by collaborating with the Swedish Textile Initiative for Climate Action (STICA) alongside industry peers. To raise awareness and promote climate action, we have engaged suppliers through a series of educational webinars designed to equip tier 1 and tier 2 factories with the tools needed to start their climate action journeys, set reduction targets, and develop climate roadmaps.

The webinar series, launched last year, began with a session on climate change awareness, highlighting industry-specific risks and opportunities within the fashion and textile supply chains. This was followed by sessions focusing on Environmental Management Systems, energy efficiency strategies, and practical insights on renewable energy solutions.

The webinars were tailored to the local contexts, with discussions on local risks, opportunities, and energy transition pathways.

Building on this foundation, we continued the initiative this year with a focus on guiding factories through the practical steps of developing and implementing their climate action plans. To support this process, we provided a standardized Climate Action Roadmap template, helping suppliers structure their plans effectively. The session covered strategies for setting Science-Based Targets (SBTs) and included expert contributions from third-party organizations, such as Reset Carbon, who shared resources and solutions for accelerating the shift to renewable energy. Suppliers who have already taken significant steps in their sustainability journeys also shared best practices and experiences to inspire their peers.

3. Reduce our volumes: We reduced our purchasing volume in pieces by 12% (22) in 2024 compared to 2023. In 2024, tier 1 manufacturing emissions accounted for 6.9% (8.9) of the total, decreasing by 5% (14) to 2707 tonnes of CO₂e from 2845 tonnes in 2023, primarily due to reduced volumes.

Produced volume with renewable energy in Tier 1	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Target: Produced volume with RE in tier 1	0.63	1.35	3	8	12	20	30	40	50	60	75%
Actual in %	4	3	3	16	11						

01. Climate Action and Nature

Production, Tier 2-4

For tier 2–4, we aim to reduce our emissions with three different actions. The first one is to reduce our volumes. This will give the highest reduction in emissions. The second one is to use a higher amount of low-impact fibers and solution-dyed fibers. The third one is to increase the use of renewable energy in our tier 2 facilities, i.e., the fabric mills. The goal is to have 26% of the volume made with renewable energy by 2030.

Decarbonisation levers and key actions

1. Reduce our volumes: In 2024, we remain the approximate same volumes in weight from 2141* tonnes in 2023 to 2075 tonnes in 2024, corresponding to a 2% (-20*) increase in weight and a 7% (-25) increase in emissions compared to 2023. From base year we have reduced volumes in weight by 50% and in emission by 47%. This reduction is attributed to a strategic change in our purchasing strategy, emphasizing core products and reducing the number of styles. In 2024 we reduced items even further by 8 (44.4)% from 2023.

2. Increase the share of lower impact materials in all our products: In 2024, we decreased our share of lower impact materials from 36%* to 28%, this due to a focus on profitability. .

3. In 2023, we began mapping our tier 2 facilities to gain better visibility of our supply chain and identify opportunities across the supply chain. Throughout 2024, we continued this work by verifying which of these facilities were actively producing. We updated the list by removing facilities no longer in use and adding newly onboarded ones. As of December 2024, we had identified 146 facilities, including both Tier 2 and some Tier 3 suppliers, as we have recently expanded our data collection efforts to include deeper supply chain levels.

*Updated data for 2023 due to faulty reports.

Top emission materials tonnes (CO₂e)

Emissions category	2020		2024	
	ton CO ₂ e	Share	ton CO ₂ e	Share
Polyester	13.583	29.0%	6.017	24%
Recycled polyester	768	1.6%	2.275	9.1%
Viscose	4.852	10.3%	1.828	7.3%
Acrylic	5.101	11.0%	1.524	6.1%
Cotton	6.058	12.8%	3.245	13%
Lenzing Ecovero Viscose	597	1.3%	844	3.4%
Polyamide	3.244	6.9%	1.428	5.7%
Wool	1.026	2.2%	1.364	5.4%
Organic cotton	13.583	9.6%	711	2.8%
Polyurethane	2.512	5.3%	2.804	11%

Production, Packaging materials

For packaging, our focus is to change virgin material to recycled content for plastic and cardboard. This will have the biggest impact on reducing the emissions for our packaging.

Decarbonisation levers and key actions

Change to recycled content for plastic and packaging materials: In 2024, 79% (70.4) of our packaging was made of recycled materials. Read more on page 38.

Recycled packaging materials	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Target: Recycled Plastic in %	63	65	70	75	80	85	90	95	100	100%
Actual	63	94	93	92						
Target: Recycled Cardboard in %	4	20	30	40	50	60	70	80	90	100%
Actual	4	61	65	67						

01. Climate Action and Nature

Shipping

Shipping In 2024, we increased transport emissions from 6873 tonnes to 9906 tonnes of CO₂e, a 44% (-6) increase mainly due to increased air shipments, both inbound and outbound. Inbound due to a challenging year with our production and outbound due to increased shipments to the US. Our total transport emissions per sold product therefore increased by 47% (-11) since base year. Read below on our transition plan for shipping, our decarbonization levels, and actions.

Carbon footprint (tonnes CO ₂ e)	2020	2023	2024
Air	7.908	5.048	7.703
Ocean	1.408	372	588
Road	1.408	1.453	1.615
Rail	17	0	0
Total	9.844	6.873	9.906

Our total transport emissions (tonnes CO ₂ e)	2020	2023	2024
Inbound	6.604	1.943	3.232
Samples	0	107	8
Outbound	2.579	3.522	4407
Returns	660	987	1785
Between warehouses	0	314	474
Total	9.843	6.873	9.906

Inbound

Our biggest reduction will be made by shifting air transportation to sea for the countries of origin where both sea and air transport flows are accessible. The use of fossil fuels in truck, boat, and air transport will be reduced in line with the respective transport sector’s global goals for 2030 (IEA, 2022), which will have a general positive effect on our emission reductions. The number of shipments will automatically decrease in line with the reduced amount of purchased virgin-produced goods.

Outbound

We aim to become more established in the US market and phase out sales to Australia and New Zealand due to the high emissions in distribution. In this case, the transport flows via air to Oceania (i.e., Australia and New Zealand) will be exchanged for North America (i.e., USA). The use of fossil fuels in trucks will be reduced in line with our internal goal of achieving 75% fossil-free transport by 2030. The number of shipments will increase in line with the projection for an increase in sold volumes by approximately 6%.

Decarbonisation levers and key actions

Samples and internal transfers - our goal is to achieve a significant decrease in fossil fuel dependence for truck and air travel by 2030, as defined by the international benchmark set by the IEA (2022), which will have a general positive effect on our emission reductions. We also aim to reduce the emissions from shipping samples by focusing on different projects for digitizing the sample process. This will decrease the number of samples needed.

Inbound targets	2023	2024	2025	2026	2027	2028	2029	2030
Annual targets: Total air transports CBM kg in %	4	4	3	2	2	2	2	2
Actual:	2	6						

Outbound targets	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual targets: Fossil free delivered orders (truck) in %	n/a		20	25	30	35	40	50	60	70	75%
Kg CO ₂ e / delivery	7	15	21	26	25						

Returns

The use of fossil fuels in truck and air transport will be reduced in line with the respective transport sector’s global goals for 2030 (IEA, 2022). As an increase of approximately 6% is projected for our sold volumes, including circular business models, the number of shipments will increase accordingly. Our target is to have a return level of approximately 30%.

01. Climate Action and Nature

Decarbonisation levers and key actions

1. We continue to collaborate with carriers that provide fossil-free delivery solutions. In 2024, a total of 1,540,046 shipments were delivered using fossil-free methods, resulting in a 61,304 kg reduction in CO₂ emissions. Our goal remains to offer fossil-free deliveries in all main markets by 2030. To accelerate this transition, we are actively working with freight forwarders to explore alternative solutions such as increased use of electric vehicles and hydrogen-powered transport. A key challenge we face is the rise in airfreight emissions, primarily driven by increased order volumes from the USA. To mitigate this impact, we are assessing offsetting and inseting strategies, including investments in Sustainable Aviation Fuel (SAF) and carbon capture projects.
2. Reduce mileage and consolidate shipments for inbound: Introduced Barge, a river vessel as a means of transporting our containers from the port in Rotterdam to an inland terminal closer to our new warehouse in Duiven. With this change, we can expect to reduce our last mile of inbound emissions (port to warehouse) by 40%. In Sweden, we reduced our last mile of inbound footprint by shipping all containers to Helsingborg Port instead of Gothenburg. This change means that we have reduced the last mile of inbound trucking from 237 km to 26 km. We have continued to work on consolidating more shipments at origin to reduce our overall total shipments and increase the utilization of our containers. By aligning our Cargo ready dates with suppliers, we have been able to consolidate more shipments, and as a result –

we increased our fill rate from 80% (2022) to 86%, reducing our overall emission output per shipment. Furthermore, we have started in 2024 with consolidating shipments towards one warehouse to reduce the total number of LCL shipments. We see that in 2024 we have reduced LCL shipments by 56% compared to 2023 and increased FCL shipments (buyer consolidations) with 17%.

3. Since mid-2022, we have maintained a returns charge across all markets to encourage more conscious purchasing decisions and minimize unnecessary returns. To support informed decision-making, we continue to enhance product presentation through improved sizing tools, images and videos. These efforts contributed to a 4 percentage point decrease in our return rate in 2024, following a 6.5 percentage point reduction in 2023. Despite these improvements, return emissions increased by 43% compared to the previous year, largely due to higher airfreight volumes.

Circular business models

Circular business is an important part of our transition plan as it enables us to reduce a large part of our emissions while simultaneously increasing our growth. For example, regarding second-hand, we only have emissions from handling, transporting, and packaging. Our goal is that circular business models should account for 20% of our GMV by 2030.

Decarbonisation levers and key actions

1. Accelerate the shift to circular business models and services.
– In 2024, we investigated different solutions for circular business models.

Overview & status of climate transition plan

Scopes	Business area	2020 Baseline (ton CO ₂ e)	Reduction % 2030	Reduction % 2023 from baseline
Scope 1 & 2	Company operated facilities	177	-75%	-57%
	Company cars	5	-80%	-34%
Scope 3	Business travel	536	-49%	-1%
	Production, tier 1	9.668	-56.%	-72%
	Production, tier 2-4 Purchased material	47.217	-49%	-47%
	Packaging	2.353	-50%	-70%
	Shipping, inbound	6.604	-72%	-51%
	Shipping, outbound	2.579	-55.%	70%
	Shipping, returns	660	-50%	170%
Total		69.514	-53%	-44%
Goal 2030				



Business Travel

With production in Turkey and Asia, we will always need to travel to work closely with our suppliers. However, in this post-pandemic world, we have all learned new ways of communicating. That is why we believe we can work closely with our suppliers even on a digital scale and therefore decrease the need for travels. We also see significant potential to decrease our air travel when it comes to our marketing department. We will find new ways of planning photo shoots that can decrease both the need for air travel and the use of other transportation, such as trains. Trains accounted for 0.45% of the total business travel emissions in 2024 but have increased by 160,609% (223,325) since the base year.

Decarbonisation levers and key actions

Reduce air travel: Air travel decreased by 24% (26) from 2023 as well as by 5% (26) from the base year.

02. Our Products

We will make our products more sustainable by using lower impact materials and ensuring everything we make lasts as long as possible. To help our customers make more sustainable choices, we will tell them how, where, and with what impact our products are made. We want to drive positive change in both the supply and demand for more sustainable products.



02. Our Products

When it comes to more sustainable products, i.e., products with a lower impact*, choosing the right material is paramount. The right choice means a smaller environmental footprint and less harm to both humans and wildlife. The fabrics we use that have a lower impact are certified by independent third-party accredited agencies. We believe it is important for our customers to know this information through our product communication and labelling in order for them to make informed purchasing decisions. In this chapter, you will learn more about our progress towards lower-impact materials, our product labelling, and how we work with chemical management to keep our customers safe.

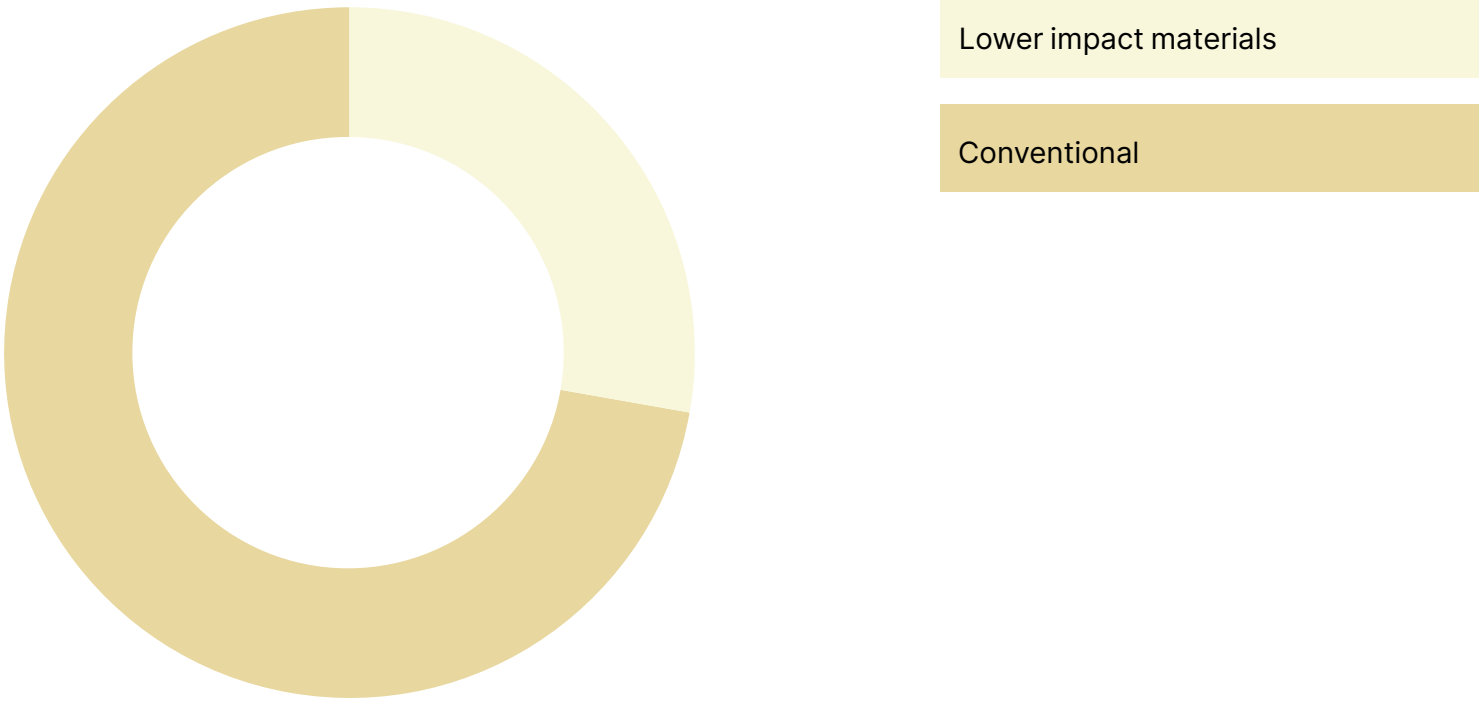
(*Such materials include organic cotton, recycled cotton, recycled polyester, LENZING™ ECOVERO™ Viscose, TENCEL™ Lyocell, TENCEL™ Modal, Naia, and other organic, recycled, and/or more sustainably produced materials.)

Policies

In NA-KD’s Code of Conduct, we clearly state that we strive to prevent or minimise the negative environmental impact of our own operations and take a precautionary approach to environmental challenges. Our aim is to continually reduce our product’s life-cycle environmental impacts, such as resource use, emissions, negative water impacts, and waste, and use our creativity to create change towards a circular economy. This is further elaborated on in our Environmental Policy, where we state that we strive to reduce our impacts from materials through volume reduction and by moving towards using materials that require less energy, land, and water to produce.

Through quality and circular approaches, we state that we strive to reduce the need for virgin raw materials. It is also clarified that we are committed to managing chemicals responsibly across our supply chain, complying with relevant regulations and industry standards, striving to eliminate hazardous substances, and promoting safe alternatives. We strive to ensure the safety of all products for our customers, workers, value chain partners, and the environment throughout their lifecycle and beyond. This is communicated to our suppliers contractually through our Restricted Substances List, which is based on Afirm.

Lower impact materials
as share of total (in weight)



Our most common
lower impact materials



Material impacts, risks and opportunities

Our materials

Impacts, risks, and opportunities

The impacts from our materials, and the making of our products, is where NA-KD has our biggest impacts on people and planet. Throughout the value chain, we have impacts on water, emissions, pollution, biodiversity and people. By far our biggest fibres are polyester, cotton and man-made cellulosics, where more details on the impacts can be found below, as these differ depending on the fibre. The risks we see are connected to increasing raw material prices, especially for lower impact materials that come from renewable or recyclable sources – and use less water, energy, or chemicals in their production than conventional alternatives.

This is both due to increasing demand and lack of supply. For some recycled materials, the quality is not always as good as for virgin materials, and not as strong. This can impact both the durability and quality of the end product. Our opportunities are of course to transition to 100% lower impact materials* before our competitors do, to both reduce our impacts and to gain competitive advantage and to strengthen our brand.

Our objective

*With a lower impact material we mean one that comes from renewable or recyclable sources – and uses less water, energy, or chemicals in their production than conventional alternatives.

Targets	2022	2023	2024
By 2030, have 100% organic, recycled or other lower impact materials in all our products	31%	36%	28%
By 2025, phase out 100% of all conventional cotton. (the percentage of conventional cotton that has been phased out)	58%	50%	43%
By 2030, have 100% recycled polyester	28%	41%	31%
By 2030, have 100% FSC cellulosic materials (viscose, modal, lyocell & acetate)	45%	51%	44%

Our Actions

- We increased our overall purchasing. Compared to base year 2020, we have decreased production volumes by weight by 50% - 22.4 compared to last year.
- We implemented a process to track and follow up on certified and trademark materials digitally and incorporated it into our budget tools for the purchasing product category teams.
- We continued to develop our fabric library with the aim of consolidating our fabrics to increase our share of lower impact quality materials.

Materials used by weight	2020	2021	2022	2023	2024
Synthetic materials	2.270	2.199	1.480	1.233	1.189
Cotton	1.174	1,224	522	391	472
Man-made cellulosic fibers	364	469	345	245	190
Linen	23	27	59	16	44
Wool	10	49	25	25	43
Leather	7	5	4,5	14	29
Other	115	115	105	5	7
Total weight (tonnes)	3.963	4.089	2.541	1.929	1.974

*Due to faulty reports for material data 2023, all material data for 2023 has been recalculated as well as all targets.

02. Our Products

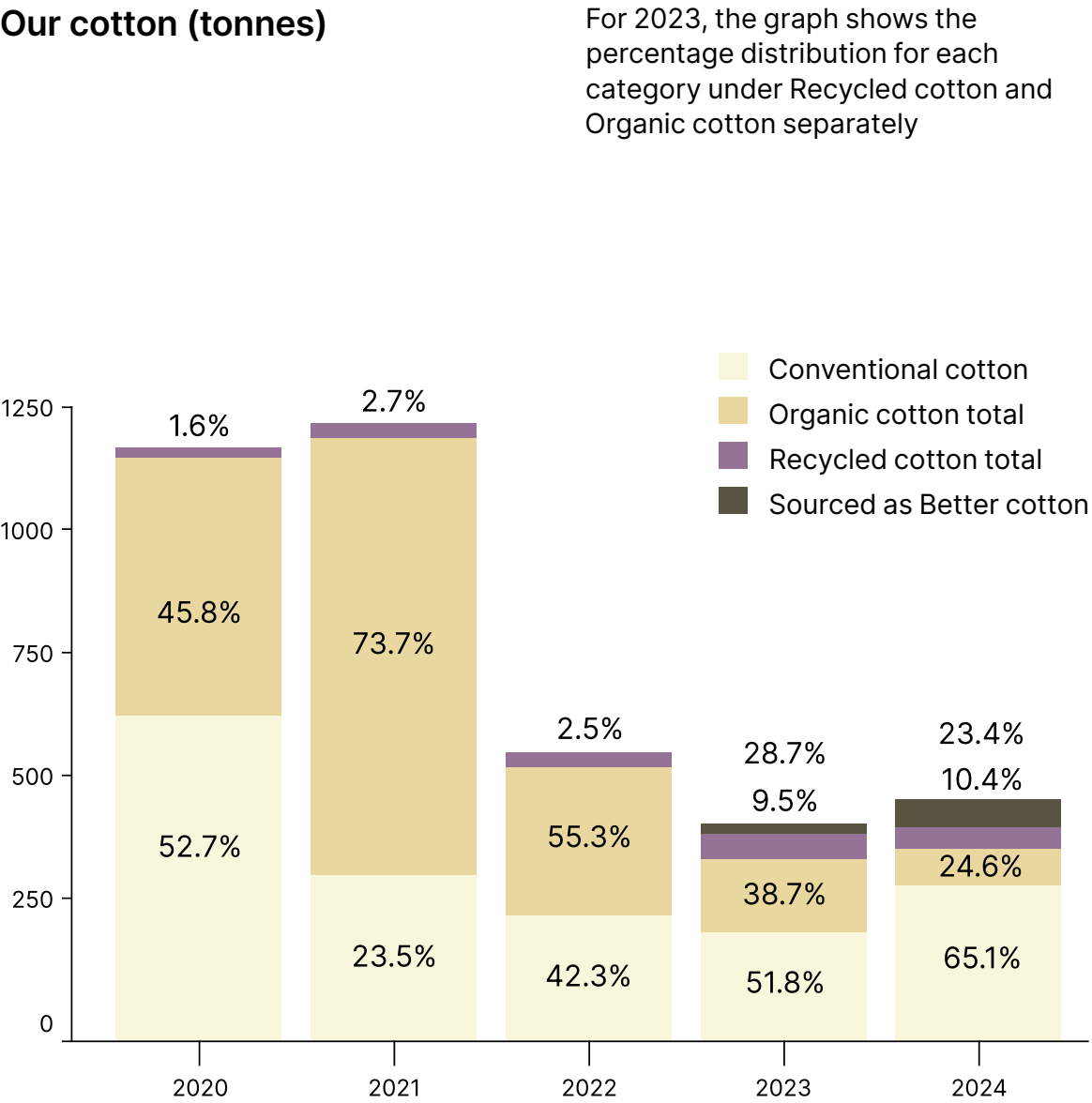
Cotton

For cotton, our main impacts are connected to water, chemicals, energy use, and biodiversity impacts from cultivation. Cotton requires significant water during both cultivation and preparation of the textile. According to Textile Exchange, it takes about 12,000 bottles of water to produce enough cotton for a T-shirt and a pair of jeans. The use of organic cotton reduces water use by 70% (on average).

In 2024, we continued to see unfavorable weather conditions due to climate change affecting cotton crops in many parts of the world. Additionally, reports of forced labor conditions in parts of Chinese cotton production pose significant challenges for sourcing organic cotton. This poses a risk to NA-KD as regions such as the US have implemented a ban on cotton from the Xinjiang region in China, and the demand for organic cotton surpasses supply, driving prices up.

As a result, in 2024, our use of organic cotton decreased from 34% to 21,6%, as did recycled cotton increased from 13,5% to 9%. To reverse this trend, we have an opportunity to still achieve our goal of phasing out all conventional cotton by 2025 through our membership in the Better Cotton Initiative. During 2024 we purchased 12% cotton through the Better cotton initiative.

Our cotton (tonnes)



Our Actions

- We started sourcing cotton through the Better Cotton Initiative.
- We got certified by the Organic Content Standard.
- We got certified for the Global Recycled Standard and the Recycled Claim Standard.

Man-made cellulosic fibres

Man-made cellulosic fibers are mainly made from wood, derived from dissolved pulp. They are more commonly known as Viscose, Lyocell, Modal, and Acetate. The main impacts are connected to deforestation and biodiversity loss if the wood used is not sourced responsibly. The production processes can also have significant polluting effects.

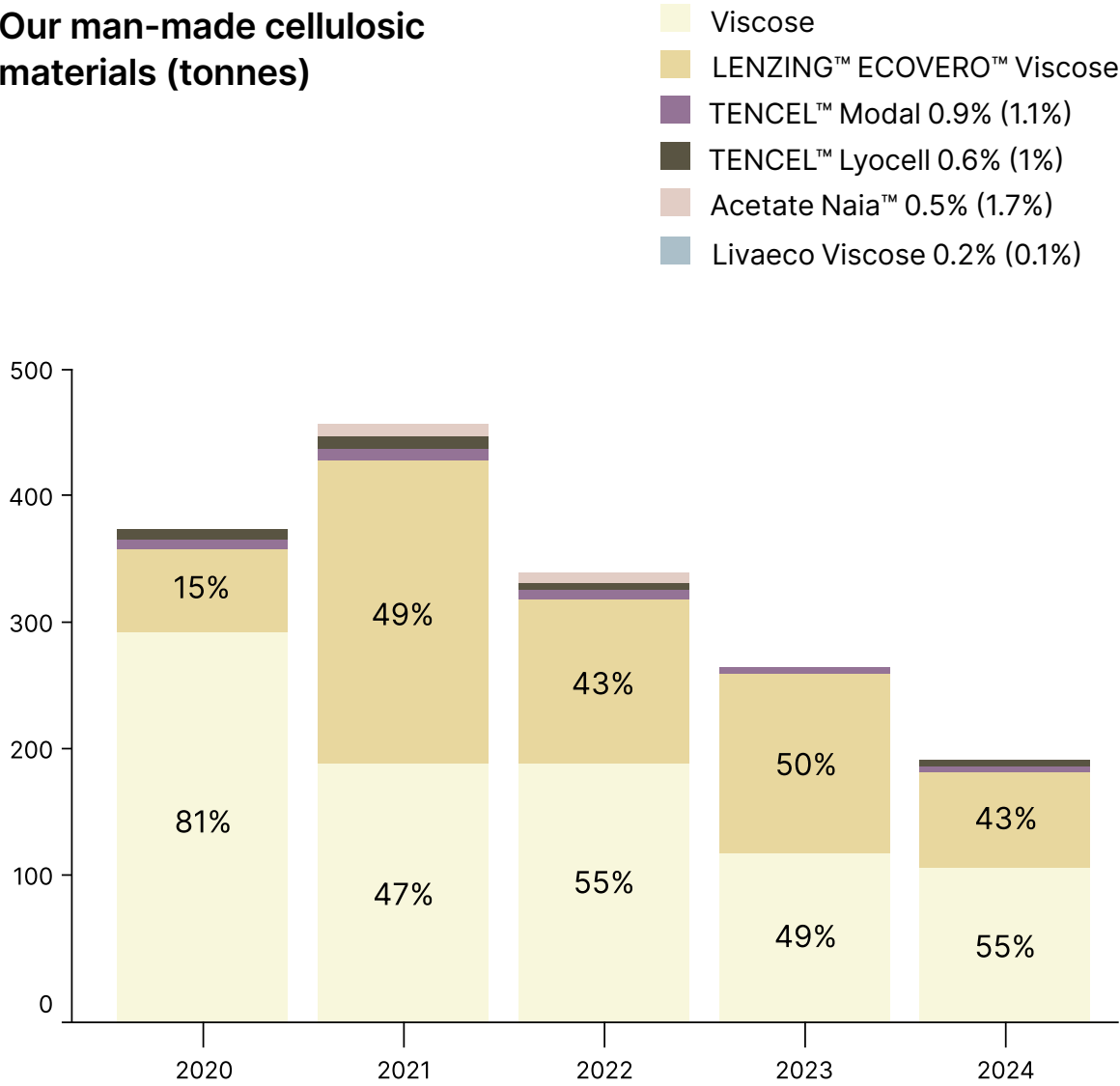
The biggest risks for NA-KD are related to reputational risks stemming from the raw material origin of our MMCs and their impacts, as 56% of the MMCs we use still need to be transformed into certified sourced MMCs that verifies responsibly managed forests.

Our opportunities lie in continuing our journey toward certified sourced viscose and exploring the rapidly growing alternatives for recycled cellulosic fibers, such as Innfinna and Refibra.

Our Actions

- We decreased our share of better-produced MMCs from 52% to 44%.
- We reduced our overall purchased MMCs volume by 21% (30) during the year.

Our man-made cellulosic materials (tonnes)



02. Our Products

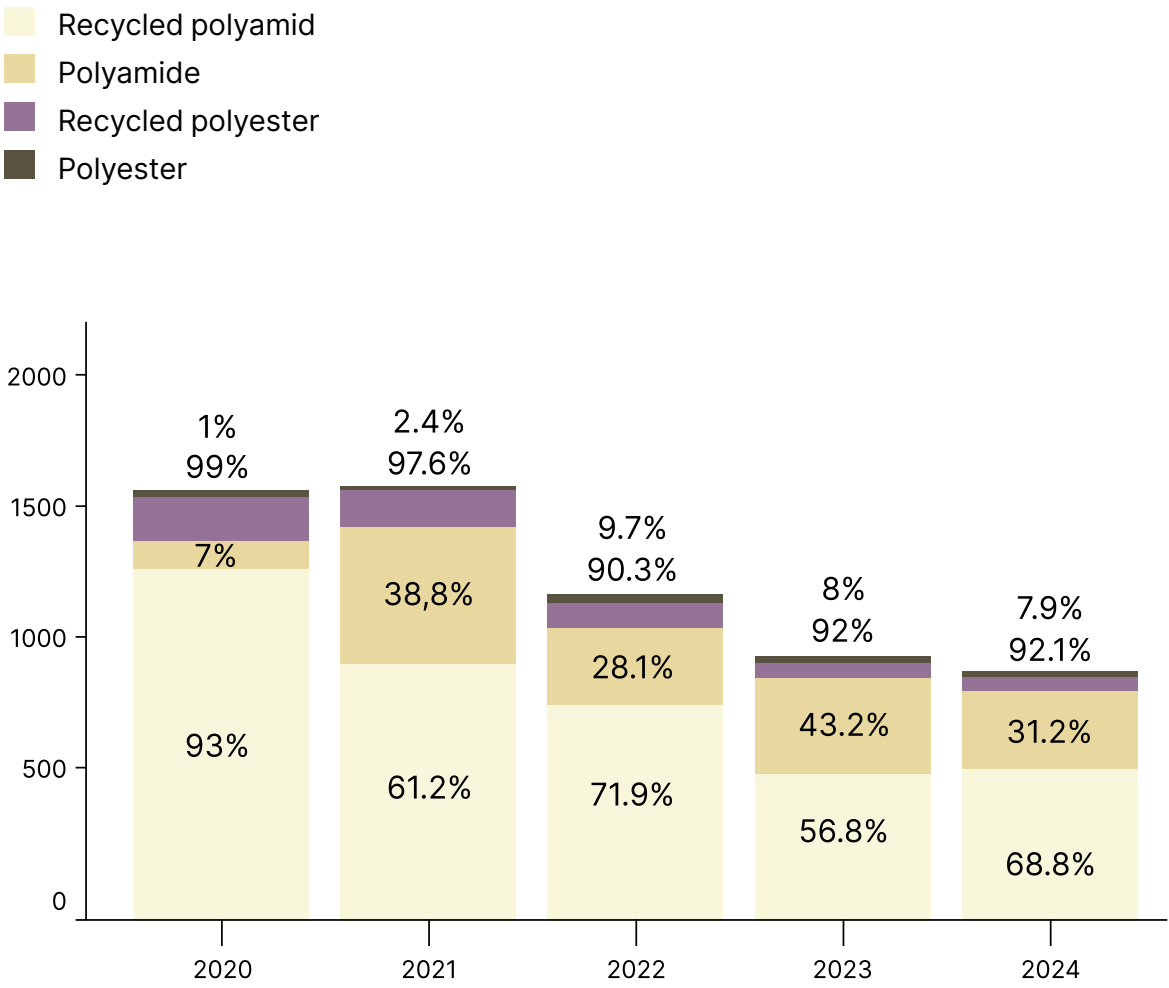
Polyester & polyamide

The main impacts associated with polyester and polyamide stem from the fact that they are man-made fibers derived from oil, making them non-renewable resources. We are committed to increasing the share of our polyester and polyamide fabrics made from recycled fibers, which will help reduce our climate impact. However, there are additional impacts related to energy usage and chemicals during the production processes of these fibers, as well as micro-plastic releases during their use phase.

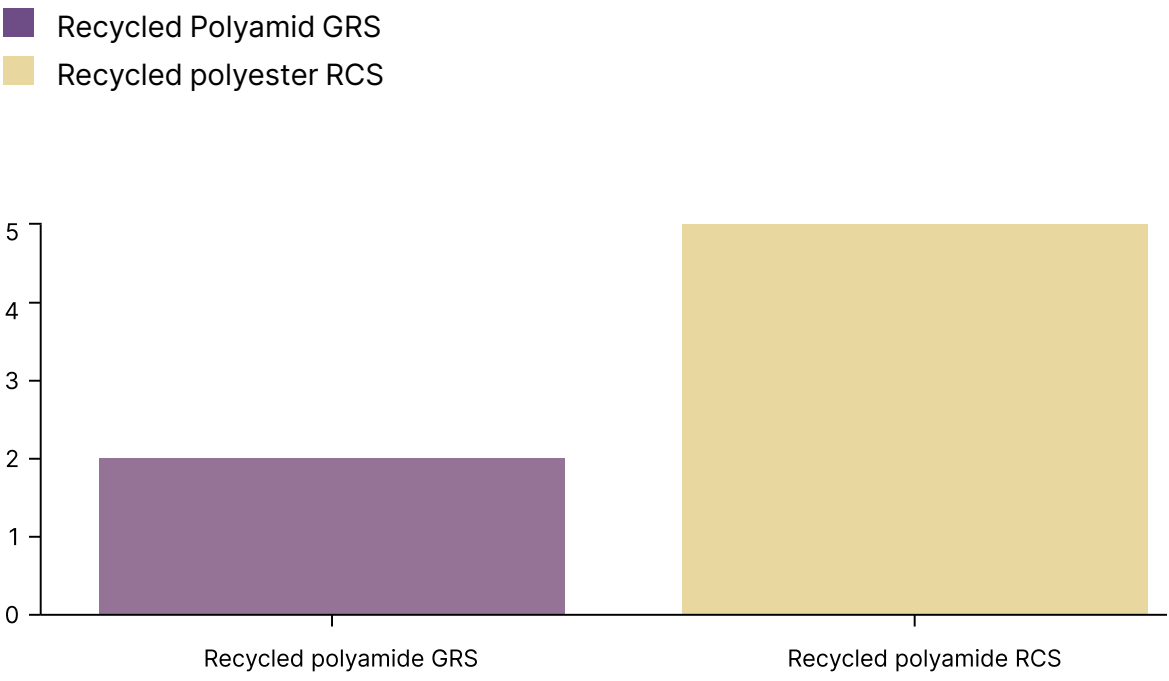
The primary risk we face is competition with other industries for a limited supply of recycled materials. Combined with increasing demand and a slow industry transition to textile-to-textile recycled fibers, this drives up prices for recycled polyester.

Our main opportunities lie in transitioning to recycled polyester and polyamide, as polyester fiber is highly durable and, when washed and cared for mindfully, can have a long life. Additionally, we have the opportunity to support the industry’s transition to textile-to-textile recycling and to reduce our reliance on fossil-based fibers.

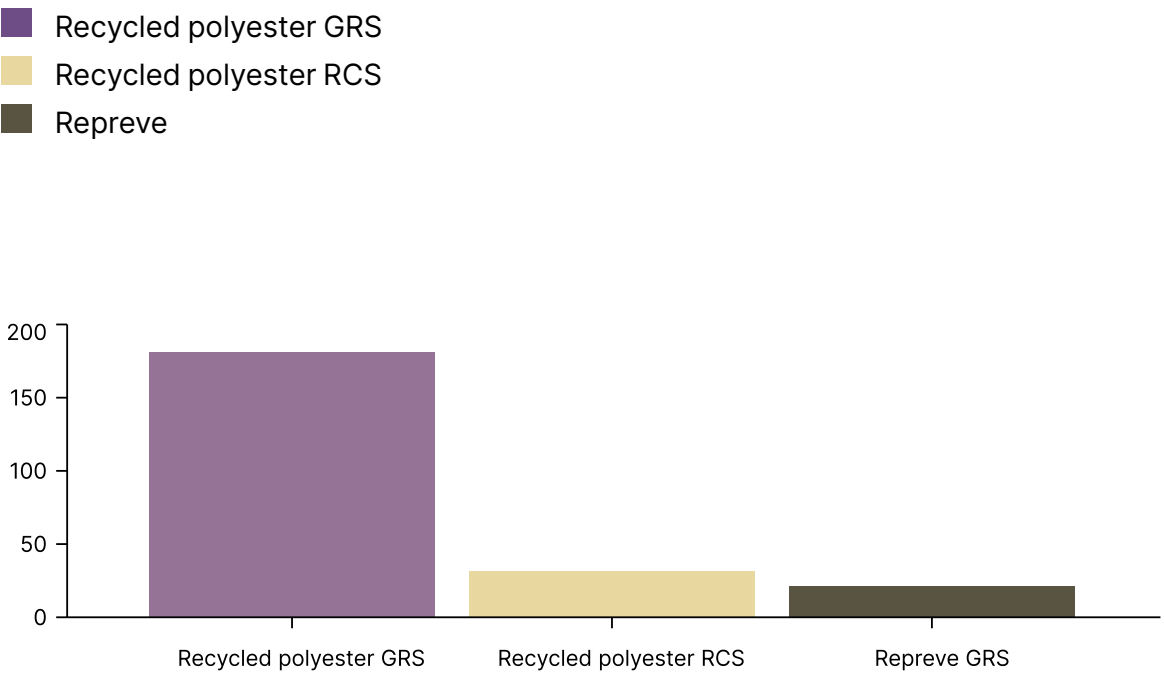
Our polyester and polyamide (tonnes)



Our recycled polyamide per certification standard (percent)



Our recycled polyester per certification standard (percent)



Our Actions

- We got certified for the Global Recycled Standard and the Recycled Claim Standard.
- We decreased our share of recycled polyester from 43.3% to 31,2%.
- We reduced our overall purchased polyester volume by 10,7%. (30) during the year.

02. Our Products

NA-KD Future

In spring 2023, we launched NA-KD Future. NA-KD Future is our product innovation test-lab where customers can find unique collections featuring innovative materials, design concepts, and production techniques. It serves as a space to test, trial, and scale up new materials and processes, develop partnerships, and refine techniques and design processes, all while aiming to make fashion fit for the future.

The purpose of NA-KD Future is to identify innovations that help us bring lower-impact products to the broader market through sustainable materials and production techniques. The materials and techniques that prove effective for our business are intended to be scaled up and implemented across our overall collection.

These are the materials and concepts that we launched during 2024:

Remake Collection

For this collection we partnered with XV Production to create a limited collection of six unique styles. Each piece in this collection has been remade from blocked, old stock, or faulty items that had high return rates and could not be sold on NA-KD.com. Our purpose was to maximize the use of existing garments, minimizing waste and giving new life to materials that would otherwise go unused.

This collaboration leverages the expertise of XV Production, located in Borås, a city with a rich textile heritage.

XV Production operates with circularity as a guiding principle, utilizing a local production line to reimagine fashion through material reuse while avoiding over-production.

By remaking garments, this collection addresses the pressing issue of textile waste. Each piece helps prevent discarded clothing from ending up in landfills or incineration. Additionally, this approach conserves resources such as energy and water and reduces the demand for new textiles and new resources being used.



The process also supports local artisans and craftsmanship in Borås, fostering economic opportunities within the community. This collaboration celebrates creativity, allowing designers to transform unused garments into distinctive, one-of-a-kind pieces.

Finally, the remake collection helps raise consumer awareness about the environmental impact of fast fashion. It inspires more mindful shopping habits by showcasing the potential of upcycling and extending the lifespan of clothing.

This initiative exemplifies the educational and practical value of integrating circular practices into the fashion industry.

Through our remake collection with XV, we aimed to demonstrate that sustainability and creativity can coexist, offering fashion that honors the past while looking toward a more sustainable future.

02. Our Products

Refibra

Our REFIBRA™ collection features garments made from TENCEL™ Lyocell fibers produced using REFIBRA™ technology, which incorporates cotton textile waste alongside wood as raw materials. These fibers contain a minimum of 30% recycled content, sourced from both pre- and post-consumer waste. By utilizing cotton scraps that might otherwise have been discarded or ended up in landfills, this innovative approach addresses textile waste while supporting more resource-efficient production practices.

TENCEL™ Lyocell fibers produced with REFIBRA™ technology meet the Recycled Claim Standard, ensuring transparency and integrity in the use of recycled materials. This technology builds upon the well-known production processes of standard TENCEL™ Lyocell fibers, which use a closed-loop system to recover water and 99.8% of the solvent used in fiber production. REFIBRA™ technology goes a step further by integrating recycled materials, reducing the reliance on virgin raw materials and further lowering the environmental impact of textile production.

By incorporating fibers made from recycled content, we contribute to reducing textile waste and supporting more circular approaches to resource use.

The natural comfort and durability of TENCEL™ Lyocell fibers are maintained, ensuring that sustainability does not compromise quality or wearability.

Through this collection, we aim to highlight the importance of innovation and collaboration in driving the fashion industry toward a more sustainable future. By leveraging technologies like REFIBRA™, we can reimagine waste as a resource and deliver garments that reflect our dedication to reducing environmental impact while maintaining the highest standards of design and comfort.

Convertible Bubble Top to Skirt & Convertible Maxi to Mini Bubble Dress

The collection features two versatile pieces—a top and a dress—designed to be worn in multiple ways. Each item can be styled individually or together, offering combinations for different occasions. Made with recycled polyester, the pieces combine thoughtful design with a practical approach to materials, allowing you to mix, match, and reimagine your wardrobe with minimal effort.



02. Our Products

Product labelling

- Impacts, risks and opportunities

We have a responsibility to provide our customers with quality information about our products. Our customers have the right to make informed decisions before they purchase NA-KD products. The impact we see in this area is if we can use our product labelling to make our customers increasingly choose to buy products with organic, recycled or other lower impact materials.

The business risks are primarily connected to future legal requirements on environmental impact labelling of products. Depending on the detail of environmental data needed for this labelling as part of regulations, this may require a lot of investments and resources to be able to comply. In some cases, this can be about access to market, in other cases about the right to make green claims for our products. However, our opportunities are great, as we believe educating our customers about how they can lower their fashion footprint is a really exciting way to accelerate our progress. With clear product labelling, we can build customer trust, strengthen our brand and increase our customer acquisition and retention, all while hopefully making our customers choose products with lower impacts.

Our Actions

- We have updated our Product Detail Pages on our website with clearer information about certificates and trademarks for each product. The purpose is to make it easier for our customers to make more informed choices and to simplify making more sustainable choices.
- We have revised our hangtags to better communicate to our customers about the recycled and organic certified materials in our products.

Chemical Mangement - The use of chemicals

The use of chemicals can have an impact on both people and the environment, both in the products and during the production processes. It is therefore essential that restricted chemicals are not used, which is why we actively promote the use of non-hazardous chemicals and production techniques that use no or fewer, better chemicals.

The risks to our business in this area are mainly if we fail to uphold our chemical policy and processes. However, in 2024 we did not recall any products due to chemical issues. Our opportunities in this area are to continue our transition to materials produced using Best-Available-Technology and to continue to strengthen our chemical requirements on our suppliers.

Our Actions

- 2023, we clarified our chemical policy as part of updating our Environmental Policy.
- During 2024, 100% of tested items passed.
- 2023, we clarified our chemical testing working procedures.
- We update our Restricted Substances List (RSL) twice, yearly.
- We continue to support the PFAS movement and have implemented a ban on PFAS as part of our RSL.

03. Circularity

The fashion industry needs to shift to a circular model. For NA-KD, that means being smart about the materials and design we use in our products and packaging. And it means prolonging the lifecycle of everything we make through innovative business models, like reselling, upcycling and subscriptions – in close collaboration with our customers.



03. Circularity

Our industry has a large environmental footprint. 80% of all discarded textiles are doomed for landfill or incineration. Only 20% are reused or recycled. Every second, the equivalent of one truck of textiles is land-filled or incinerated. This make-use-dispose linear system is deeply unsustainable. At NA-KD, we are committed to being part of making the fashion industry circular. In this chapter you will learn more about how we work with circular business models, design for circularity and how we work to reduce our waste.

Policies

In NA-KD’s Code of Conduct we state that we are determined to be part of the solution in creating a more sustainable and circular fashion industry. We clearly state that we strive to reduce, reuse, repair, repurpose and finally recycle all types of materials that we use at NA-KD. We detail this further in our Environmental Policy



“We commit ourselves to minimize waste in all our operations, optimizing resource utilization, and working towards a circular economy. In the long term, we aim to create products that are made to be made again, where waste is designed out, and products and materials are kept in use.”

03. Circularity

Circular business models

Impacts, risks and opportunities

Through circular business models we have an opportunity to create positive impacts by changing consumption behaviors together with our customers and business partners.

The challenge is to make it as natural to sell and buy second hand, or rent your clothes, as it is to buy something new. Circular business models need to become the new norm. At NA-KD, we believe that we need to collaborate to make this transition; within the industry, with policy makers, and with our customers. The risks are connected to the slow change in customer behavior coupled with lack of real political incentives for a circular economy which makes finding the right recipe for scalable and profitable solutions a challenge.

However, the opportunity prevails for the company that finds the right way of making a profit on circular business models with the right fit for their customer audience. While at the same time transforming the business into a more resilient business model and hence attracting capital and investors. To be able to reach our climate reduction targets, circular business models must become a core part of our business model in the future. We know this is the right path to walk, yet we recognise the challenges of this transition.

Our Actions

- Between 2020 and 2022 we had a close collaboration with Hack Your Closet, where NA-KD products were part of their rental subscriptions. Unfortunately, Hack Your Closet ceased to exist in 2022 and hence our partnership ended. For us, this was a great way to learn more about customer behavior when it comes to the rental business model.
- In 2021, we launched NA-KD Circle - a way for customers to extend the lifespan of their NA-KD products. This was an integrated marketplace where customers could easily sell and buy second hand items on NA-KD.com. In 2023, we disabled this feature as our evaluations showed the solution was not fit for the future. In its lifetime, our Circle turnover ended up at 25.5 MSEK and the 87,000 pieces sold saved 118 tonnes of CO2 emissions compared to if these products would have been sold as new. For NA-KD, this was a great learning experience which we bring with us for our future second hand initiatives.
- In 2023, we launched a collaboration with Sellpy, Sweden’s leading platform for second hand items, with the aim of extending the lifespan of our products. For returned and defective items - those that might have a loose button, a small color stain, or similar imperfections - we collaborate with Sellpy to ensure they find a new home. Instead of letting them go to waste, we’re giving them a second chance by making them available for purchase on Sellpy.com. As we closed down NA-KD Circle, all remaining items in stock were put on sale on Sellpy.com.
- As we move forward, we will continue to explore solutions through partnerships and collaborations, for both rental and second hand.

Our objective

Towards a circular fashion business we want to prolong the life of our products through new business models and close customer collaboration.

Targets	2022	2023	2024
By 2030, have 20% of turnover generated from circular business models.	0.27	0.005	0.002
By 2030, save at least 10,000 tonnes of CO ₂ e through circularity initiatives	96	n/a	n/a

*Figures from 2023 and 2022 included turnover and saved tonnes from NA-KD Circle and HYC sales and rents. Figures for 2023 include only figures from Sellpy sales.

03. Circularity

Designing for circularity

Our products

Impacts, risks, and opportunities

With design for circularity, NA-KD has an opportunity to reduce the environmental impacts from our products and packaging. According to a report by the Ellen MacArthur Foundation, global clothing usage has decreased by nearly 40% over the past 15 years, while clothing production has doubled.

Studies from Mistra Future Fashion show that using a garment 80 times instead of 40 can reduce its climate footprint up to 50%. There is therefore significant potential for consumers to reduce their impact through a relatively simple change in behavior. At the same time, products must be designed for durability. In Sweden, we consume an average of approximately 13–14 kilos of newly produced clothing and home textiles per person each year. Of this, about 7–9 kilos of textile waste per person per year ends up in general waste (trash bags) or at recycling centers and is directly incinerated, according to Swedish environmental protection agency. Globally, textile waste is a significant challenge. According to the Swedish government, every second, the equivalent of a truckload of textile waste is landfilled or incinerated.

Our Actions

- We increased our share of recycled material to 25%, compared to 22% in 2023.
- We increased our share of recycled synthetics and metals to 22% in 2024, compared to 19% in 2023.
- We launched a remake collection locally in Sweden (read more on page 33).
- We follow how many of our products that are recyclable, and plan to set a strategy for how to increase this share.

In the EU, residents consume nearly 26 kilos of textiles per person annually and discard around 11 kilos during the same period, according to the European Parliament. These figures highlight the importance of reducing textile consumption and improving recycling systems to manage the growing amount of textile waste both nationally and globally.

The risks to NA-KD are to keep up with legislation. We need to ensure that our products are fit for the upcoming EU eco-design regulation and the updated Waste Framework Directive and are competitive in the fashion landscape through both quality and style, while keeping customers happy with regards to product prices.

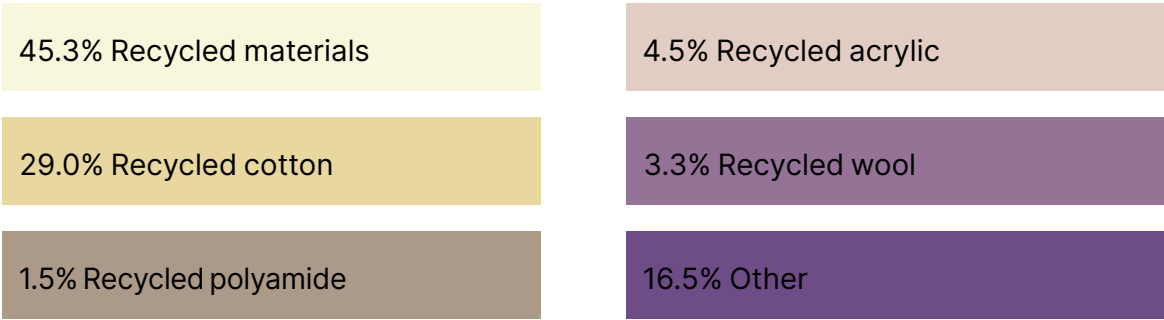
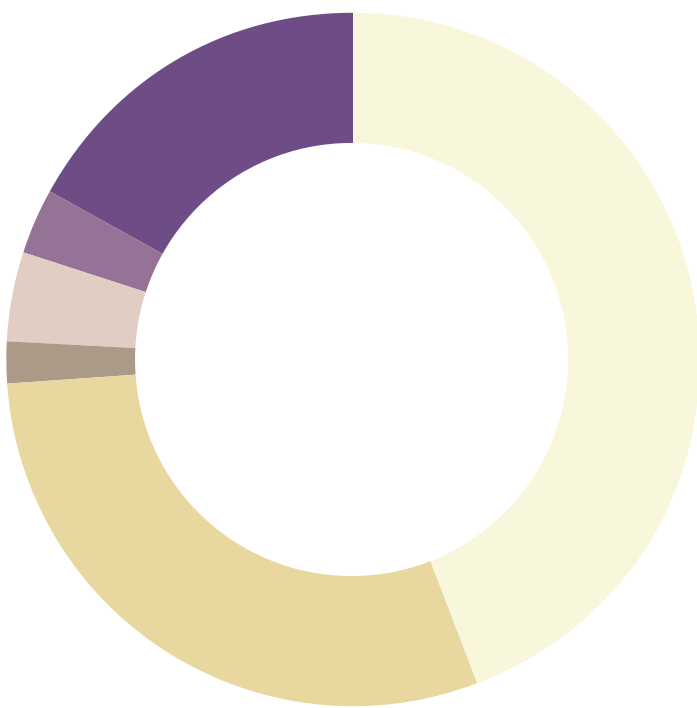
We have an opportunity to design products that last, and products that are made to be made again, either through re-make or recycling, or both. In this respect, NA-KD is on a journey. A journey that we happily share with our customers and other stakeholders.

Our goal is to reach 100% of synthetic and metal materials from recycled origin by 2030 –

Recycled materials prevent materials from going to landfill, they also reduce the need for virgin materials and therefore the use of chemicals, energy, and water. Recycled fabric is mostly created from textile scraps in production and post-consumer waste from other product types, and only to a small extent from used garments that have been collected for recycling. The recent emergence of technologies that can recycle fibers to make new yarns and fabric is tremendously exciting. Although this tech is not yet available at scale, the industry is heading there fast, and this is a great opportunity for both NA-KD and our peers.

However, circularity only works if its principles are applied across the entire fashion value chain. When we’re designing products, we need to plan for longevity and try to make sure that, when the products reach the end of their life, they can be easily recycled.

We need to work with our industry peers to increase the share of recycled materials used in products. Meanwhile, reselling, recycling and upcycling need to become core components of our business.



* “Other” refers to all the materials with recycled content from the below note. In 2023, this consists of recycled synthetic rubber, brass, copper, iron, steel and zinc.

Our objective

Designing for circularity. We want to use all resources in the smartest way possible, with a focus on products and packaging.

Targets	2022	2023	2024
By 2030, 100% of synthetic and metal materials are from recycled materials	21	19	22
By 2025, have 100% circular packaging, which means it is made from recycled materials and is reusable, recyclable or compostable	65	70	79

1 [Swedish Nature Conservation Authorities](#)
2 Ellen Macarthur Foundation

03. Circularity

Our packaging

Impacts, risks, and opportunities

The same logic as for products also goes for our packaging. The impacts from our packaging are connected both to the production of the packaging and the materials used, as well as from packaging end of life.

We are proud that the majority of our packaging is circular. In 2024, 79 % (70%) of our packaging was circular, meaning both from recycled materials and reusable, recyclable or compostable, and we used a total of 627 tonnes of packaging material.

As an e-commerce brand, this is core to our business and close to our hearts. Because we mainly sell soft products, most of our shipments go in low volume bags rather than cardboard boxes. Our studies show that bags of recycled plastics are better from a pure emissions perspective, whereas FSC / recycled paper is better for reducing micro plastics. The risks connected to packaging are primarily the customer perception connected to the polybags and shipping bags we use. Even if made with recycled plastics, and recyclable, the perception of plastic as “bad” is still strong among customers. We have opportunities to continue to educate our customers, and to continue to reduce the amount of packaging we use, to ensure we use recycled materials and that the packaging is either reusable or recyclable.

Our Actions

- We mapped the recycled share of the cardboard used for our inbound transports, including certificates.
- We have updated our labels and packaging guide for our suppliers.



Circular packaging

Type of packaging	Material by weight*	% with recyclable content**	% of packaging with certificates	% recyclable	% Circular packaging
Plastic bags (polybags & shipping bags)	280.615	92%	92%	100%	92%
Cardboard boxes (inbound)	205,549	80%	59%	100%	59%
Hang tags	72,770	100%	100%	100%	100%
Total	422.405	91%	84%	100%	92%

03. Circularity

Waste

Impacts, risks and opportunities

Our suppliers send products to our warehouses from around the world. While necessary to protect those goods, the packaging used unfortunately creates a lot of waste. If not handled correctly, this waste can have a significant environmental impact. Also, our customers use packaging for potential returns, which also creates waste.

Further, we also have an impact through the waste generated by the packaging used for customer shipments. On the packaging we clearly communicate to our customers that the material is recyclable and we ensure compliance with local Extended Producer Responsibilities for packaging to facilitate handling of the packaging end of life.

However, our greatest potentially negative impact is if our products end up as landfill waste after customer use at end of life instead of being recycled for their materials or energy recovery. As reuse and recycling capacities in Europe are limited, a large share of used textiles collected in the EU is traded and exported to Africa and Asia, and their fate is highly uncertain. There are repeated reports about these exports to the global south with severe social and environmental impacts as a consequence. NA-KD therefore supports the legal development in the EU to prohibit this type of waste export, and to legislate for product longevity and recyclability.

Associated with above, the risks connected to waste are if NA-KD garments would be found in these land-fill dumps, causing environmental and social negative impacts. On the opportunities side, we need to continue to support the industry to transition to a textile-to-textile model, where we design out waste from the beginning. Increased and scalable technologies and infrastructure in this area would bring prices down for textile-to-textile recycled fibres, and hence benefit the business financially, while reducing the industry waste.

Targets

By 2025, reuse or recycle 100% of packaging materials from all our sites

92%	2022
89%	2023
100%	2024

Our Actions

- We recycled 99.93% (89%) of the waste created*, hence 0,07% (11%) of our waste was non-recycled.

Waste data	waste (kg) 2022	whereof recycled materials	waste (kg) 2023	whereof recycled materials	waste (kg) 2024	whereof recycled materials
Cardboard (well-papp)	1.108.693	1.108.693	1.056.242	1.056.242	37.0286	37.0286
Plastics	121.484	22.116	85.030	17.460	23.546	23.546
Wood	24.020	22.980	29.670	29.670	6.690	6.690
Textile	871	871	592	592	272	272
Hazardous waste	1	0	0.68	0	272	272
Other**	39.650	37.940	14.6370	64.010	21.316	21.040
Total	1.294.719	1.192.600	1.317.905	1.167.974	422.382	422.106
Total Recycled		92%		88.6%		99.9%

**Type of waste; metal, glass, active waste (general).
The undertaking shall provide contextual information on the methodologies used to calculate the data and in particular the criteria and assumptions used to determine and classify products designed along circular principles under paragraph 37(a). It shall specify whether the data is sourced from direct measurement or estimations; and disclose the key assumptions used.

04. Diversity and inclusion

Fashion should empower and inspire. We will enable our customers, creative partners, employees, and those working in our supply chain to raise their voices and fulfill their potential. From our warehouses and factories, to our offices and studios, we will advocate for equal rights and live by our commitment to diversity and inclusivity. We will be a champion of diversity and female empowerment in fashion.



04. Diversity and inclusion

Our customers

Everybody has the right to speak their mind and express their thoughts and opinions. But today, many are silenced because of their gender, ethnicity, religion, or sexual orientation. We will not have an inclusive society until we provide equal conditions for all people to express themselves, to develop and succeed. Different parts of the world have different challenges – in some places, ethnicity is the main driver of repression, while in others, it’s gender. In most, several points of discrimination intersect.

We are using our business and social channels to empower our customers to raise their voices – whoever they are, wherever they live. We do this in several ways. We celebrate that beauty comes from difference by showcasing work from diverse young talents. We listen to and learn from our customers and creators. We accelerate career opportunities for young women, especially those in the creative industry. All for our vision – always making women feel at their best.

Policies

In our **Code of Conduct** we state that when dealing with customers, we should always use fair business, marketing and advertising practices. Further, our Human Rights Policy clarifies that;

“We are committed to respecting the human rights of our millions of customers that are at the heart of our business. To provide products and services that are not only safe, but allow people to express themselves. We aim to promote equality and diversity through all our marketing and customer communication.”

Together with one of our core values; Customer Obsession, these policies are at the core of all our day to day customer interactions.

Impacts, risks and opportunities

As a company with primarily a young female customer audience, we have a responsibility for social inclusion and non-discrimination in all our marketing, customer-facing communication, and consumer dialogues. Being within the fashion industry, we are aware of the negative impact we might create in society by the usage of images and products that do not necessarily cater to all body types and how it can lead to feelings of inadequacy and body image issues. However, it creates an opportunity for us to work on our products in a way that would cater to more diverse body types. We have an opportunity to create a positive impact by making women feel empowered and at their best by wearing NA-KD products.

By practicing non-discrimination and showcasing different women in terms of ethnicity, size, age, disabilities, beliefs, and other diversity aspects, we have an opportunity to convey the message of everybody’s equal value. The risks and opportunities to our business are whether or not we fail or succeed in this, and the impact that may have on our brand value, and hence on our customer acquisition, retention, and sales.

Our Actions

Working with creators

- In 2024, we worked with more than 1,300 (4,500) influencers, across 18 different countries(Sweden, Norway, Denmark, Finland, Germany, Netherlands, Austria, Switzerland, France, Spain, Portugal, the UK, Ireland, the US, Australia, Italy, and Canada). For those influencers and collaborators with whom we design exclusive collections, we have developed a concept where they are invited to act as creative directors. They are involved throughout the entire design process, taking on greater ownership of the project.
- We offer our brand as a platform for their professional development, with the goal of empowering them to amplify their voices. In 2024, we successfully executed 47 influencer collections. We are committed to achieving diverse representation among the influencers we work with and using our platforms to empower and inspire women to embrace their authentic selves.women to be themselves. Examples are our collaborations with Oumayma & Khaoula and Enya, Down syndrome queen.

NA-KD Art

- NA-KD Art is a quarterly creative avant-garde collection designed by NA-KD. It presents collections with a higher degree of fashion, containing carefully selected innovative and exclusive qualities and designs. It’s an arena for our designers and creatives to push boundaries, create freely, and disrupt the ordinary. NA-KD Art is currently our most high-class concept and during 2024 we presented 63 collection drops.

Customer support

- NA-KD customers are always welcome to reach out to our customer support team to raise concerns. We have frequently asked questions on our customer portal, a dedicated return portal, and a customer services team available 24/7 where customers normally receive an answer within eight hours.
- We understand that the main concerns from our customers are about product quality, fit, and size, as well as return issues, e.g., our re-introduction of a return fee.

04. Diversity and inclusion

An inclusive workplace

The more diverse a company, the better it performs. According to McKinsey research, companies that rank in the top quartile for gender diversity in executive teams are 25% more likely to have above-average profitability than companies in the bottom quartile. The research also showed that companies in the top quartile for ethnic and racial diversity are 36% more likely to outperform industry peers. When it comes to the fashion industry, while women make up two thirds of the workforce, this ratio is not represented at executive levels.

Making diversity and inclusion the norm won’t just improve corporate culture, it will also lead to growth and great performance.

Policies

Our most fundamental policy is our **Code of Conduct**, a document for anyone working for, or on behalf of, NA-KD. It outlines what is expected and acceptable behavior and ensures that all parts of our business are fair and ethical, that each and every one of our employees feel safe and thrive in their workplace, and that any person who is reached by or interacts with NA-KD feels respected. The policy cover Diversity, Inclusion & Non-discrimination, Harassment, Victi-misation & Bullying, Working Hours & Compensation, Safe and Healthy Work Environment, Freedom of Asso-ciation and the Right to Collective Bargaining, Child Labour, as well as Modern Slavery and Forced Labour.

The Code of Conduct is based on the OECD Guidelines for Multinational Enterprises, the ILO Declaration of Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The Code is approved at the highest governance level by the Board of Directors.

Further, we have additional policies covering our work environment and employment practices. These are our Human rights policy, Work environment policy, Equal treatment policy, Rehabilitation policy, Alcohol and drug policy, Pension policy, Staff privacy policy, as well as our Work permit policy and Whistleblowing policy. The purpose of these policies is to state how NA-KD manages our working conditions and communicate that transparently to all employees. All company policies can be accessed through our internal employee info site accessible for all employees and those working on behalf of NA-KD.

Impacts, risks and opportunities

All companies have an impact on their employees, potentially both positively and negatively. These impacts are connected to working conditions in general, equal opportunities regardless of who the employee is, a healthy and safe work environment both physically and mentally, adequate wages and compensation, secure employment, no excessive working hours, as well as a culture of clear responsibilities, openness and trust. The risks to our business if failing to uphold good working conditions and with negative impacts on our employees can be significant in terms of brand reputation, sales and being able to recruit and retain talent.

During the last years, NA-KD has worked with a strong focus on continuously improving our working condi-tions, which we can see has given results, from both employee dialogues and our employee satisfaction surveys. Having satisfied employees that are happy with their working conditions and enjoy coming to work is an opportunity for NA-KD as these employees are likely more productive, more creative and more likely to walk the extra mile. Below, we elaborate on some key aspects of our impacts in terms of equal treatment and opportunities, as well as working conditions, and our processes to manage these.

Our objective

An inclusive workplace. We want to create a culture of belonging with equal status, rights, conditions and opportunities for all.

Targets	2022	2023	2024
A balanced representation of male, female, non-binary people through the organisation; both from a functional and managerial perspective	65% female managers	70% female managers	70% female managers
Maintain our high level of foreign-born co-workers	33%	33%	30%
Keep the eNPS between 10 and 30	18	12.2	-33,6
Equal eNPS between departments	1.3	1.7	n/a*

04. Diversity and inclusion

Equal treatment and opportunities for all

For us, it is given that all our employees have equal rights and opportunities. We do not accept discrimination, victimization or harassment in any form and this is made clear in our Code of Conduct and Equal Treatment Policy covering the seven defined grounds of discrimination; Gender, Transgender identity or expression, Ethnicity, Religion or other belief, Disability, Sexual orientation and Age.

We ensure equal pay through yearly compensation reviews, aiming to eliminate any form of gender discrimination. In 2024, average female salary was 97.3 % of average male salary. Dedicated to an inclusive workplace, our policies emphasize a discrimination-free environment and equal opportunities with priority on diversity, respect, and inclusion. In 2024, all new managers received training in Work Environment and Leadership. The average hours of training per employee was 25 hours in 2024. We utilize our employee satisfaction system, our whistleblowing system and regular check-ins to detect and prevent violence or harassment, with 0 (zero) reported incidents in 2024.

Employee satisfaction & departmental inclusion

Becoming the best version of ourselves is a journey we embrace every day. We are committed to giving every employee a voice, allowing them to share what we’re doing well and where we can improve together.

Through Flourish, we measure Employee Satisfaction and eNPS to gain valuable insights into our workplace dynamics. Each quarter we measure eNPS by asking how likely our teams are to recommend NA-KD as a workplace and each month, we focus on one of two key areas: Work Environment or Engagement. The Work Environment Block measures employees’ experiences of the physical and organizational aspects of the workplace, such as office facilities and overall conditions. The Engagement Block explores deeper aspects of the employee experience, including collaboration, personal development, and job satisfaction.

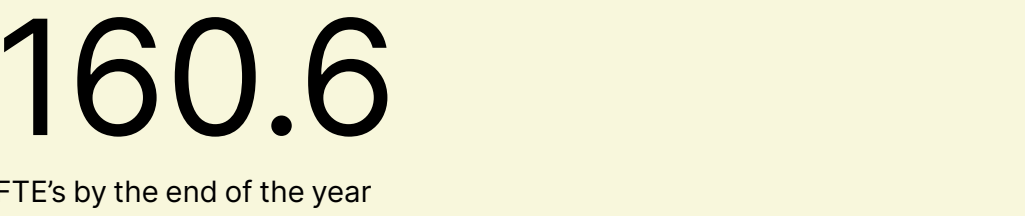
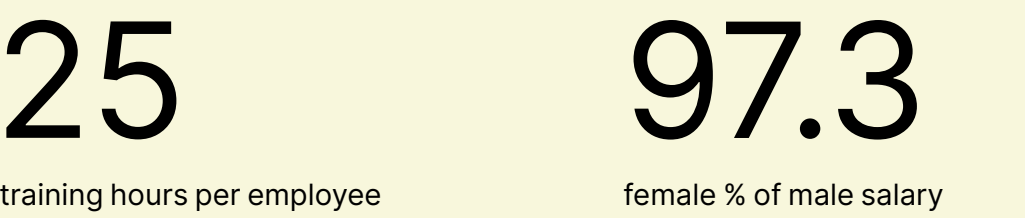
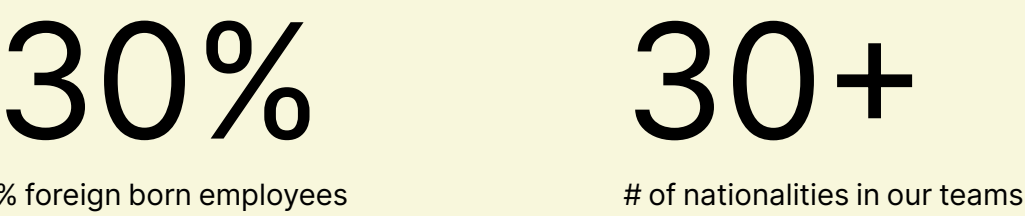
These surveys alternate monthly, inviting all employees to anonymously respond to four questions rated on a scale from 1 to 10. Results under a score of 4 in any category are addressed immediately, with People & Culture becoming involved to support discussions and ensure actions are taken. If scores show a dramatic downward trend, People & Culture will proactively reach out to the team manager to understand the situation and work together on improvements.

For areas where low scores or negative trends are observed across multiple departments, People & Culture will introduce a company-wide Focus Area to address the issue and implement targeted solutions. Flourish also enables employees to share their thoughts through department-specific and company-wide follow-up surveys, conducted quarterly or more frequently based on team needs.

The responses are compiled into reports for the Management Team, department managers and People & Culture, who use the data to lead meaningful discussions and implement improvements at both the team and organizational levels.

Employee satisfaction	eNPS	Participation	Highest diff between dept
2019	-27	76%	
2020	-21	74%	3.2
2021	-14	65%	1.7
2022	18	93%	1.3
2023	12,2	91%	1.7
2024	-33,6	83,5%	n/a

NA-KD 2024 in numbers



The decline in eNPS may be linked to organizational changes during 2024 and 2025. Organizational changes can create uncertainty, which can affect employees’ sense of stability and their likelihood of recommending the company. While these transitions aim to strengthen the organization in the long run, it’s natural for employees to have concerns during the process.

04. Diversity and inclusion

Working conditions

In 2024, we did a reorganization to enable efficiency and reach profitability. Unfortunately, this meant letting go of 12 permanent employees. Throughout the process, we prioritized clear communication with employees and union representatives, aiming to minimize the impact. Weekly updates were provided to all employees, and counseling support was available. Further, we supported our affected employees with several concrete contact points to potential new employers, and invited potential employers and affected employees to meet during working hours in our office.

To promote transparency, we hold regular town hall meetings and company forums to keep employees informed. During the second half of 2024 we also introduced 360- leadership reviews, where employees provide structured feedback on leadership, ultimately leading to leadership development and growth. Additionally, we streamlined our management structure, reducing the number of managers to create a more agile organization with fewer decision layers.

Process improvements were also made in our purchasing and marketing department. External expertise was brought in to map and analyze key areas, driving efficiency and collaboration.

NA-KD complies with all regulations on working hours, compensation, and leave policies, ensuring employees receive proper rest, paid vacation, and fair working conditions. Our policy states that working hours should not exceed an average of 40 hours per week.

We uphold employees’ rights to freedom of association and collective bargaining, both internally and throughout our supply chain.

We maintain a flexible work approach, offering two remote workdays per week, flexible hours, and additional benefits that support work-life balance. Employee well-being is a priority, with initiatives such as one paid workout hour per week and a strong focus on workplace safety. In 2024, no work-related fatalities or severe injuries were reported.

Compensation and benefits

We provide everyone who works for NA-KD with fair and market-based compensation for the work they do. Yearly, we conduct a salary mapping and analysis, ensuring employees are fairly rewarded for the work that they do. We have a pension and insurance program for our employees, and every year, we perform a salary mapping and analysis. In 2024, average female salary was 97.3 % of average male salary. NA-KD did not have a collective bargaining agreement during 2024. All our employees are entitled to parental leave and pension, and are covered by our occupational health and safety management system with extra health insurance, as per applicable local legislation. Full time employees and those over 25 years old are entitled to pension. In 2024, we also introduced a workout hour during working hours, allowing employees to exercise for one hour per week as part of their regular schedule. This initiative, alongside well-being benefits already in place, supports work-life balance and overall well-being.

Our employees are guided through our Employee Info Site, as well as our Employee Handbook.

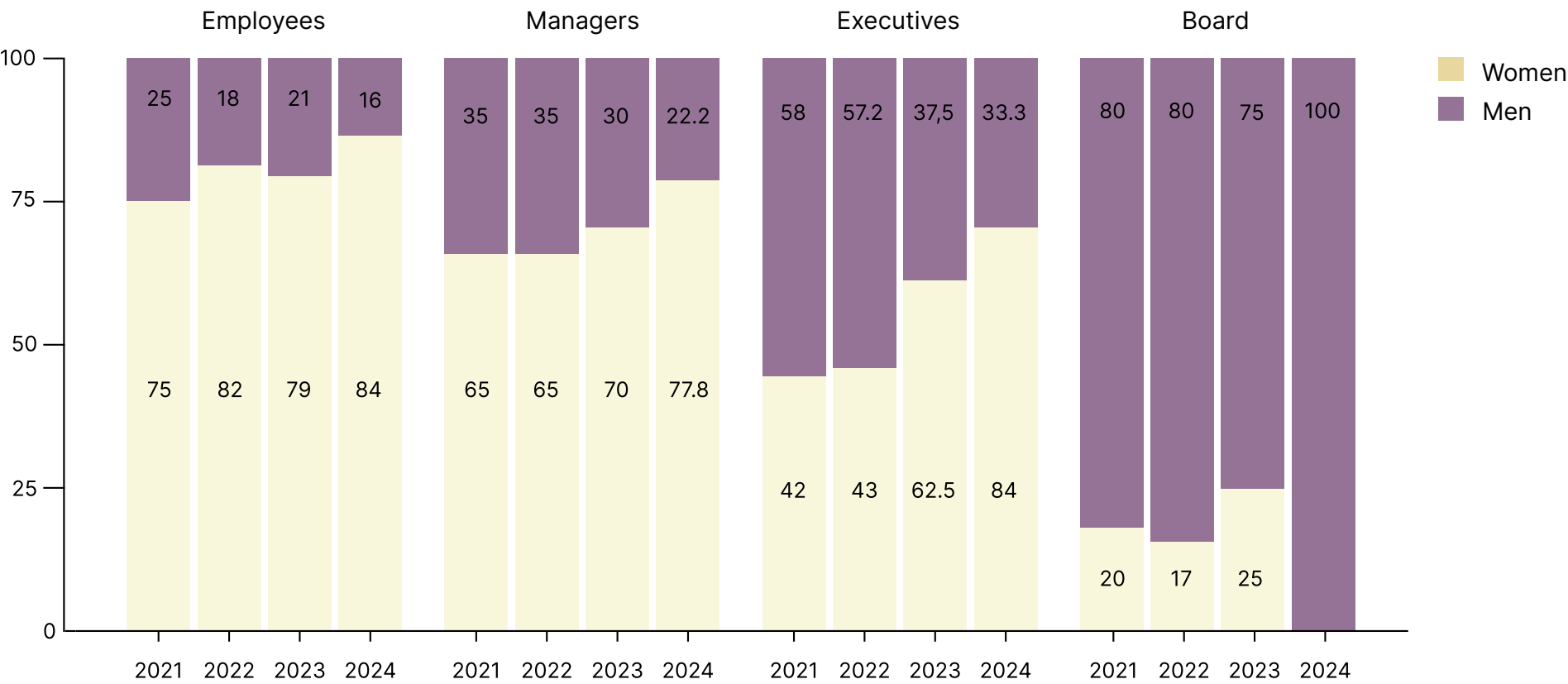
Main actions 2024: Introducing Flourish – Strengthening Employee Engagement & Well-being

In April 2024, we introduced Flourish, an employee satisfaction tool, to gain deeper insights into engagement, well-being, and workplace sentiment. Through regular surveys, we track key metrics like Employee Net Promoter Score (eNPS) and internal communication effectiveness, allowing us to take proactive steps for improvement.

One key impact has been in internal communication. In May 2024, our information-sharing score was 5.5/10 (86% response rate). To improve this, we implemented structured updates, including monthly town halls, an internal newsletter, office info screens, and regular senior management updates. By December, the score had risen to 7.7/10 (81% response rate).

With Flourish, we continue our commitment to continuous improvement, and a positive work environment.

Representation of women at different organisational levels at NA-KD at the end of 2021, 2022, 2023 and 2024 respectively.



04. Diversity and inclusion

Workers in the value chain

While many challenges in providing fair and equal jobs within the fashion industry’s global and complex supply chains stem from structural issues and local legislation, they cannot be justified by these factors. We have a responsibility to respect the rights of everyone involved in our business operations, whether they are employed directly by us or through a supplier. Limited impact or leverage should not stop us from working to influence our suppliers to adopt better practices.

The key to tackling inequality and injustice in complex value chains is traceability — knowing how and where our raw materials, fabrics, dyes, and prints are made. By improving traceability, we can better understand the realities and needs of the thousands of workers in our value chain. It helps us assess how our operations affect them, identify risks, and carry out our due diligence. It also enables us to take action - whether that’s preventing, mitigating, or addressing negative impacts - and to find opportunities where we can help improve their conditions.

Our journey toward increased traceability and transparency is just getting started. You can read more about it on page 6.

Impacts, risks and opportunities

Through our operations and purchasing practices, NA-KD has a direct impact on the people employed across our value chain. The way we conduct business and the markets we choose for production affect both our business partners and the workers involved in creating our products.

To monitor and address our most significant impacts, we have identified key human rights risks, including occupational health and safety, fair wages, decent working hours, freedom of association and collective bargaining, social security, child labor, forced labor, discrimination, and violence and harassment. You can read more about these on page 55 and in our online report.

We also recognize that the transition to a greener, climate-neutral economy could negatively impact workers in the value chain. If brands reduce production, fewer workers may be needed upstream, potentially affecting employment opportunities. The biggest risks we have identified are incidents and instability in production markets, which can impact our value chain partners and workers, as well as disrupt relationships across the value chain. This disruption could affect NA-KD’s access to products and, ultimately, our ability to bring them to market.

On the other hand, we see opportunities in strengthening our relationships with business partners through responsible purchasing practices. By supporting our suppliers in identifying, mitigating, and addressing their risks, we can help them improve working conditions for the people in their value chain. Using our leverage to encourage suppliers to provide better conditions is essential to drive positive change.

Our objective

Fair and equal jobs in our supply chain
We respect human rights and will make it a priority to empower and enable all people across our supply chain to be able to fulfil their potential.

Targets	2021	2022	2023	2024
By 2025, 50% of our business volume produced in factories (tier 1) showing high performance in social audits (at least B in amfori BSCI audits, or similar in other systems)both from a functional and managerial perspective	15%	21%	30%	33%

Policies

People in our value chain must be treated with respect and dignity, and we must showcase this commitment in everything we do. Our Human Rights Policy, aligned with the UN Guiding Principles on Business and Human Rights (UNGPs), serves as a cornerstone for this work. It is supported by our Supplier Code of Conduct, Escalation Policy, and Zero Tolerance Protocol, which together guide our efforts to uphold these commitments.

We have adopted the amfori BSCI Code of Conduct as our Supplier Code of Conduct, requiring all suppliers to sign it as part of their purchase agreements. Additionally, factories are required to undergo social audits either annually or biannually, depending on their performance. The Code, along with its Terms of Implementation, covers all our salient human rights, working conditions, environmental protection, and ethical business practices. It clearly communicates our expectation that suppliers integrate these values into their Social Management Systems and extend these requirements throughout their own value chains.

We are clear about our minimum requirements: we have zero tolerance for corruption, extortion, embezzlement, or any form of bribery. We also emphasize to all suppliers that personal information must be handled with care and in full compliance with applicable privacy and information security laws and regulations. These requirements are also assessed as part of the social audits that our factories are required to conduct.

04. Diversity and inclusion

Conducting Due Dilligence

All Tier 1 factories we work with must have a valid social audit or verified assessment in place before starting a business relationship with NA-KD. These social audits are conducted by certified third-party auditing companies, using a combination of documentation reviews and worker interviews to gather information.

We give factories the option to choose from our approved systems, all of which align with the requirements of our Supplier Code of Conduct. Our preferred systems are amfori BSCI and the Higg vFSLM, but we also accept Sedex SMETA and SA8000.

In 2024, 33% (30% in 2023) of our factories demonstrated high performance in social audits, achieving at least a B rating in amfori BSCI or equivalent in other systems. Additionally, 100% of our apparel, footwear, and accessories factories have a valid social audit in place before we begin working with them.

We are actively accelerating the implementation of our Human Rights Policy and Supplier Code of Conduct while conducting continuous, risk-based due diligence across our value chain.

*To put as a side comment at the bottom of the page: Factories conducting Sedex SMETA 2-pillar audits are excluding business ethics. In total, 9 (17) of factory audits did not cover business ethics in their social auditing. Our production in those facilities was 3.83% of our total production during 2023.

Our goal is to identify, assess, monitor, and mitigate potential human rights violations throughout our supply chain and business relationships.

One of the most challenging aspects we face is addressing structural issues in local contexts, such as excessive working hours and insufficient social insurance coverage in China, or the gaps between legal minimum wages and estimated living wages in many production markets.

In addition, we work closely with factories to address and mitigate any issues identified, whether through social audits or grievance mechanisms, ensuring continuous improvement.

Substantial and lasting change is only possible through joint efforts from the industry, governments, and other stakeholders, alongside active engagement with suppliers and workers. While we may not have direct control in every situation, we strive to use our leverage to create a positive impact.

To promote social sustainability in our supply chain, NA-KD focuses on three key pillars:

- Industry Collaboration, Awareness, and Advocacy
- Effective Management Systems and Worker Empowerment
- Responsible Purchasing Practices, including close collaboration with suppliers to address challenges

Our Approach to Supply Chain Human Rights Due Diligence

Supplier Code of Conduct

- This serves as the baseline requirement for all existing and new suppliers. Since 2019, signing the Code has been a prerequisite for working with NA-KD.

Social Audits

- All new Tier 1 factories must undergo a Social Audit as a minimum entry requirement. Social audits or assessments must be conducted and renewed annually or biannually, depending on a risk-based evaluation.

Corrective Actions and Continuous Improvement

- Factories with lower audit scores or non-compliance issues must implement a corrective action plan and demonstrate ongoing improvements in social and labor practices. Issues identified in critical audit areas are prioritized in our ongoing supplier dialogues, and follow-up audits may be required in certain cases.

Escalation and Business Action

- Our Business Partner Zero Tolerance Protocol and Escalation Policy outline the steps we take in response to severe non-compliance findings. This includes actions to address inaction or repeated failures to correct and remediate issues within a reasonable timeframe.

Training and Capacity Building

- We encourage suppliers to participate in capacity-building programs, available both online and in person, through platforms such as the amfori Academy, the How to Higg guide, and manufacturer forums. Additional training and guidance are provided as needed to support improvement efforts.

04. Diversity and inclusion

Social and labour findings in our supply chain in 2024

As part of our commitment to promoting fair and equal jobs, we have identified our salient human rights — the rights most at risk of being negatively impacted throughout our value chain. You can explore the 2024 status of each area on the right.

Workers	# of workers in factories producing for NA-KD	# of female workers in factories producing for NA-KD	whereof women
Asia	13739	5846	43%
Europe	3251	1629	50%
Bangladesh	5217	2274	44%
Bulgaria	110	100	91%
China	3549	2439	69%
Great Britain	16	12	75%
India	2238	184	8%
Italy	10	3	30%
Pakistan	2195	513	23%
Romania	41	37	90%
Tunisia	47	33	70%
Turkey	3074	1477	48.05%
Vietnam	493	403	81.74%
Grand Total	16990	7475	44%

Working conditions

Health and safety

Supply chain audits conducted in 2024 revealed several common health and safety challenges in our factories, such as improper storage of chemical containers and insufficient use of personal protective equipment (PPE). However, we also identified a few cases of partial compliance with Crucial Code of Conduct requirements. For example, delays in issuing building permits were caused by prolonged certification processes, and gaps in PPE training resulted from limited capacity for worker education.

Adequate Wages

While our audits have not identified any cases of workers being paid below the local legal minimum wage, they confirm significant gaps between minimum wages and living wages. Bridging this gap is a complex structural challenge that requires industry-wide collaboration. This involves sharing best practices and engaging stakeholders at all levels, including brands, retailers, standard-setting bodies, agents, suppliers, factories, unions, labor organizations, governments, civil society, and academia. In 2024, economic challenges in key production countries, such as Turkey, have further intensified the disparity between legal minimum wages and living wages. Turkey’s economy entered a technical recession, with two consecutive quarters of contraction, and inflation rates, eroding workers’ purchasing power. Similarly, in China, ongoing economic uncertainties and reduced demand have placed additional pressure on wages.

These factors make it increasingly difficult for workers in both countries to meet basic living standards, highlighting the urgent need for collaborative efforts to address wage gaps and improve worker livelihoods.

Decent Working Hours

Our audits show that maintaining compliance with decent working hours remains a structural challenge in several production markets, including China. To tackle this, we are working closely with facilities to address these issues by improving capacity planning and implementing effective management systems.

Freedom of Association and the Right to Collective Bargaining

Our social audits indicate that most factories in our supply chain are aligned with this principle, implementing alternative forms of worker representation where independent unions are not present. In 2024, factories accounting for over 82 % (previously 69.8%) of our production volume reported having some form of worker representation, whether through union representatives or other mechanisms.

Social Security

Our audits reveal significant risks related to social security coverage in factories, especially in China, where this issue persists as a structural challenge. Tackling this requires not only industry-wide collaboration but also targeted training programs for factory workers to drive meaningful and lasting improvements.

Equal treatment and opportunities for all

Discrimination, Harassment, Victimization, and Violence

While our Social Audits have not found evidence of these transgressions in our factories, we recognize this as a key area of focus. Addressing these issues requires ongoing attention and collaboration across the industry to drive meaningful progress.

Social audits in 2024	# of audits conducted in 2024	% of spend
Asia	50	69%
Europe	7	30%
Bangladesh	3	3%
China	43	61%
India	3	5%
Pakistan	1	0,2%
Turkey	7	30%
Grand Total	57	

04. Diversity and inclusion

Other Work-Related Rights

Forced Labor and Modern Slavery

Our supply chain audits show no instances of forced labor or modern slavery in the factories we work with. However, we acknowledge that these risks are more prevalent further upstream in the supply chain, particularly in certain regions such as Turkey and China, including ginning facilities and cotton farms, and in contexts involving migrant workers. NA-KD is increasing its vigilance in this area by offering guidance and support to suppliers to protect especially vulnerable workers. For more information on this work, please refer to our latest Modern Slavery Statement.

Child Labor and Young Workers

Our audits confirm that Tier 1 factories we work with adhere to age limits for workers that meet or exceed legal requirements and have policies in place to prevent child labor and protect young workers. However, during periods of economic hardship, there is a heightened risk of children and young workers leaving or being withdrawn from school to contribute to family income.

In 2024, the fashion industry continues to grapple with child labor issues, particularly in key sourcing regions like Turkey and China. A recent report by the U.S. Department of Labor highlights the prevalence of child labor in the production of materials such as cotton, gold, rubber, and leather. While we primarily work with Tier 1 and Tier 2 facilities, NA-KD has intensified its efforts to address risks further upstream in the supply chain.

Building on our commitment, we have implemented more rigorous monitoring systems and strengthened collaborations with suppliers to ensure compliance with labor standards. These efforts include enhancing traceability and engaging stakeholders to mitigate the risks associated with child labor, helping us uphold ethical practices across all levels of our supply chain.

Our Actions

Our efforts to address and eliminate forced labor, child labor, and other value chain risks include conducting risk assessments and social audits, promoting continuous improvement through tailored support for our Business Partners, and providing capacity-building opportunities for independent factories through the amfori Academy. Beyond our regular due diligence, these are some of the key actions we took in 2024:

- **Grievance Mechanisms:** Our primary grievance mechanism, amfori Speak for Change, is currently operational in Turkey, with pilot projects now underway in China. Most Turkish suppliers using the amfori BSCI system have begun promoting this tool to their workers. NA-KD has been actively involved in handling grievance cases, working directly with facilities to address complaints and implement corrective actions to prevent recurrence. We continue to monitor these cases throughout and beyond the grievance resolution process.
- **Enhanced Communication with Suppliers:** We continued strengthening communication with our suppliers by maintaining active sustainability dialogues and sharing updates on legislative changes, policies, and workflows. Key tools included quarterly sustainability newsletters, an integrated supplier portal for logistics, sourcing, and sustainability, as well as online webinars, training sessions, and face-to-face meetings both at our office and in supplier facilities.
- **Traceability Efforts:** We have accelerated our traceability initiatives to better identify and address risks further up the supply chain (read more on page 6). This progress includes maintaining ongoing dialogue with value chain partners and stakeholders to proactively address emerging risks. A significant milestone in 2024 was the publication of our Tier 2 supplier list.
- **Advocating for Aligned Standards:** We have remained committed to advocating for aligned standards across the organizations and industry initiatives we are part of, including amfori, Cascale, and the International Accord.
- **Employee Training and Support:** The CSR team conducted in-person visits to key suppliers in our main production countries, Turkey and China. These visits allowed the team to directly observe signs of forced labor, child labor, and other risks, while also engaging directly with factory workers and management to review policies and procedures.
- **Commitment to the International Accord:** In 2024, we reaffirmed our commitment to the International Accord for Health and Safety in the Textile and Garment Industry, renewing our participation for both Bangladesh and Pakistan.

04. Diversity and inclusion

Our role in society

For a long time, the fashion industry’s approach to diversity was limited to surface-level representation, often centered around including a single non-white model in campaigns to give an appearance of inclusivity. This simplistic approach overlooked the deeper need to address systemic inequalities and foster meaningful change within the industry. True diversity goes beyond what is seen on the surface, requiring a commitment to equitable practices, representation across all levels of decision-making, and genuine engagement with diverse communities.

Our local community

At NA-KD, product development often results in the creation of numerous samples, such as clothing and accessories. These items are used in our photo studio for website and social media content or tested by our purchasing team and garment technicians. Rather than letting these samples go unused, we seize the opportunity to support our local community.

Our partnership with the Rescue Mission has remained a key focus in 2024. This Gothenburg-based NGO runs around 30 initiatives supporting people in vulnerable situations across society, providing essential services to those in need. Together, we aim to create a society where resources are shared more fairly, and where clothing offers warmth and dignity to everyone who needs it.

In 2025, the Rescue Mission will launch **KlädRätt**, their new social clothing store, building on the same concept as their successful social supermarket MatRätt. KlädRätt will give new, unsold garments — including overstock, returns, defective items, and sample pieces from our collections — a second chance by ensuring they reach those who need them most. The initiative addresses several critical social challenges: reducing textile waste, promoting the right to functional clothing for all, and supporting individuals on their way back to employment.

Through our collaboration, we have contributed donations from our sample collections to help ensure access to essential clothing, strengthen the local social and circular economy, and reduce social exclusion. By making goods available at heavily discounted prices, KlädRätt enables households experiencing financial hardship to retain more of their income, gain greater control over their personal finances, and reduce daily stress.

The Rescue Mission’s social enterprises engage approximately 12,000 member households, welcome around 90 individuals into work training programmes each year, and reclaim around 2,500 tonnes of surplus necessities annually — including food, clothing, and hygiene products.

Through this partnership, we continue to strive for meaningful impact in our community, ensuring that our resources contribute to long-term, positive change where it is most needed.



05. Business Conduct

Code of Conduct

Our internal Code of Conduct, approved by our Board of Directors, outlines the minimum requirements for acceptable and unacceptable behavior. It applies to every representative of NA-KD, including managers, colleagues, consultants, interns, and anyone working for or on behalf of the company. The Code is based on international norms and guidelines such as the OECD Guidelines for Responsible Business Conduct, the ILO Declarations of Fundamental Principles and Rights at Work, and the UN Guiding Principles for Business and Human Rights.

The Code of Conduct focuses on three key areas:

- An inclusive workplace
- Protecting the planet for future generations
- Conducting business ethically, including anti-corruption and bribery, money laundering, conflicts of interest, confidential information, and data privacy

Failing to uphold the Code of Conduct may have legal, financial, or reputational consequences, impacting both people and the planet. Conversely, adhering to the Code provides opportunities to build strong business relationships, foster employee pride, and position NA-KD as an attractive employer.

In 2023, we launched mandatory e-learning training for all employees, with 81.5% participation. The training includes anti-corruption and bribery education. The training is done yearly and 2024 we had a 63% participation.

Speaking up

We encourage employees to speak up about any concerns. This is emphasized in our Code of Conduct, internal employee site, and Whistleblowing Policy. Employees receive training on these topics as part of the Code of Conduct e-learning, and relevant policies are available on the employee site.

Employees are informed regularly about the importance of speaking up and the company's commitment to protecting those who do so. Monthly employee satisfaction surveys, conducted by the People & Culture team, invite anonymous feedback, which is reviewed by senior management and department heads for team discussions and actions.

Employees are encouraged to reach out to their manager, the People & Culture team, or participate in the satisfaction survey to raise concerns. Alternatively, they can use a whistleblowing tool to report issues anonymously.

Until October 2024, the whistleblowing system was managed by EQS Compliance, handling both internal and external investigations as necessary. Reports were reviewed by the Chief Human Resources Officer, who conducted independent investigations. If required, external consultants or legal professionals were engaged, and law enforcement could be involved for criminal cases.

In October 2024, NA-KD transitioned to a new whistleblowing system, Visslan, which offers additional support from external legal experts to ensure a fair and independent process. Visslan allows both internal and external parties to confidentially report any breach of our code of conduct. Initial cases are handled by the law firm Lindahl, with internal support available as needed.

We encourage employees to first discuss internal matters with their manager, People & Culture, or use our Flourish platform. The whistleblowing system is intended for reporting breaches of our code of conduct.

The whistleblowing tool is also accessible to the public via our website. In 2024, no cases were reported through any of the whistleblowing systems.

Anti-corruption & bribery

NA-KD has zero tolerance for corruption, bribery, and unethical behavior. Our key policies in this area include the Code of Conduct, Anti-Bribery and Corruption Policy, and the Whistleblowing Policy. These provide practical guidelines for evaluating and avoiding unethical behavior and reporting dishonest or illegal activities. All new employees are informed about these policies during onboarding.

Corruption can increase societal inequalities, erode trust in business relationships, and jeopardize human rights across global supply chains. For NA-KD, the risks of failing to uphold anti-corruption and bribery standards include severe legal and financial repercussions.

Employees working in roles involving external business relationships face higher exposure to corruption risks. These employees received in-depth training on ethical business conduct, including anti-corruption and bribery, during the 2021 launch of the updated Code of Conduct.

In 2024, no complaints of corruption or anti-competitive behavior were reported.

05. Business Conduct

Animal Welfare and Materials Ethics

We believe fashion should be compassionate, and we are committed to ensuring that our products do not harm animals in any way. NA-KD is a proud member of the Fur Free Retailer Program. Our work in this area is guided by the Material Ethics and Animal Welfare Policy, which clearly outlines the animal-derived materials that are prohibited in NA-KD products, as well as those that are permitted under specific circumstances (e.g., with third-party certifications).

We have long-standing bans on fur, exotic skins, and materials from endangered species. The materials we use can impact people, the environment, and animals. When animal-derived materials such as wool and leather are sourced unethically, they can harm animal welfare and contribute to environmental issues like deforestation, pollution, and biodiversity loss.

To address these concerns, we continually educate our sourcing and purchasing colleagues on our policies and ensure all required certifications are in place when sourcing animal-derived materials.

The risks to our business include reputational damage if we fail to uphold our policies. However, maintaining high ethical standards in animal welfare and material ethics provides an opportunity to strengthen our brand and customer trust.

Supplier Relationships

- Our Supplier Code of Conduct is a contractual requirement for all suppliers and forms the foundation for managing business conduct within our supplier base. We have adopted the amfori BSCI Code of Conduct as our Supplier Code of Conduct. You can read more about our work with Supplier Code of Conduct compliance on page 45.
- We aim to proactively support our suppliers in improving working conditions, advancing climate reduction initiatives, and conserving biodiversity, water, and soil. This focus stems from the recognition that our largest environmental and social impacts occur upstream in our value chain.

Good supplier relationships are essential for driving these initiatives. Poor relationships and payment practices can negatively impact workers, such as delayed salaries or lower wages, and hinder suppliers' ability to invest in technologies that reduce environmental impacts. Poor practices can also have upstream repercussions in the supply chain, affecting both social and environmental outcomes.

Business risks associated with poor supplier relationships include increased costs, inefficient sourcing and buying processes, and compromised product quality.

On the other hand, strong, long-lasting supplier relationships create significant opportunities. Good relationships enable better prices, more efficient processes, and greater willingness to collaborate on innovations, such as developing new materials or implementing advanced traceability systems.

Our actions

- We are certified by the Responsible Wool Standard.

06. GRI Report 2024

About this report

This is the sixth time NA-KD has created a sustainability report, which is made annually. The last report was published in June 2024. This report is made with reference to the Global Reporting Initiative’s (GRI) Standards and covers the full year of 2024. The sustainability report is also prepared in accordance with the expectations outlined in the Swedish Annual Accounts Act (6 chapter 11§).

The report has been third-party verified. Last year we made some significant changes in the reporting structure, as we started adapting our structure to align with the upcoming Corporate Sustainability Reporting Directive (CSRD) that will apply to NA-KD starting with reporting for FY2025. Any changes are clearly noted alongside the relevant information in the report and/or in the GRI Index.

The primary target group for this report is our owners and investors. Other stakeholders, such as customers, colleagues, business partners, and societal actors, should also be able to understand and access information on our progress regarding material topics and sustainability performance through this report.

Reporting Content

NA-KD’s sustainability disclosures are prepared to provide stakeholders with relevant information about our material environmental and social impacts. In defining the report’s content, NA-KD applies GRI’s reporting principles of stakeholder inclusiveness, sustainability context, materiality, and completeness. The content of this report covers the Nakdcom Group, where Nakdcom One World AB (registration number 556971-2002) is the parent company and prepares the consolidated accounts.

- The report covers the financial year 2024.
- Data presented reflects all product categories and business operations, unless otherwise stated.
- The sustainability report is part of the administrative report in the Annual Report for 2024 and is developed in line with legal requirements.

NA-KD’s senior management team is responsible for the content and accuracy of this report.

Key Points on Coverage:

- All KPIs in this report cover the Swedish parent company unless otherwise stated.
- Subsidiaries (Odd Fashion of Sweden AB, Nakdcom AB in Sweden, Nakdcom UK Ltd in the UK, and Nakdcom Inc in the US) do not have significant operations and follow the same principles as the parent company.

Strategic Framework

In 2021, NA-KD established a strategic framework to drive sustainability performance: Fashion Fit for the Future. This framework focuses on four key areas, defined through stakeholder dialogues and materiality assessments, which are the foundation for this report:

1. Climate Action
2. Circularity
3. Our Products
4. Diversity and Inclusion

The framework has been approved by NA-KD’s Senior Management Team and presented to the Board of Directors. While different stakeholder groups raise concerns or ask for specific information on various topics, certain sustainability themes are common to most groups.

- More details about NA-KD’s main stakeholder groups, their topics of interest, materiality, and reporting can be found on **page 12**.
- Translated into GRI topics, references can be found in the GRI index on **page 57**.



06. GRI Report 2024

About NA-KD

In 2024, NA-KD shipped products to customers in 56 (72) countries, and our customers can also find NA-KD's products on marketplaces such as Zalando, Trendoyl, and About You. Our total net sales in 2024 were 1,727 MSEK (1,907 MSEK). The majority of our sales came from Germany (21%), Sweden (15%), Netherlands (13%), Denmark (12%), USA (9%), and the rest of the world (31%). During 2024, we sold over 6.3 (7.2) million products.

Our headquarters are in Gothenburg, Sweden. At the end of 2023, NA-KD had 204 (277) employees.

We have warehouses in Sweden and in the Netherlands, as well as return warehouses in Poland and the UK. During 2023, we opened our new automated warehouse in the Netherlands with the same operator as the Swedish warehouse. All warehouse operations are outsourced, but with NA-KD supervisors on all main sites.

NA-KD is a privately owned limited company. Our largest shareholders as of 31 December 2024 are:

- Quadrille Technologies IV Companies SLP 40.0%
- Partech Growth FPCI 11.6%
- Northzone VIII L.P. 10.2%
- eEquity SPV 1 AB 6.0%
- Jartsi Holding AB 5.2%

Johannes Löning is our new independent Chairman of the Board as of September 2022 and is solely serving as Chairman of the Board (with no executive responsibility). During 2023, we appointed a new CEO, Mattias Jacobsson and during 2024 a new CFO, Daniel Svensson.



06. GRI Report 2024

Cascale

As part of our membership in Cascale, we report on our sustainability progress each year through the Higg Index Business Review Module. For our 2023 assessment, done in 2024, we have not verified our results and are hence not allowed by Cascale to communicate our progress.

However, the 2020 Higg vBRM showed us that we should improve our environmental risk assessment, including identifying salient environmental risks, impacts, and opportunities. In 2021, we made this risk assessment, including identifying materials with the highest risks, and in 2022, we set out our materials strategy for 2030 as part of our Climate Action Roadmap.

A key area of improvement in recent years has been the establishment of a program aimed at encouraging the increased use, installation, and procurement of renewable energy, such as wind and solar power, within our supplier network. and the development of climate roadmaps.

Through our collaboration with the Swedish Textile Initiative for Climate Action (STICA), NA-KD has taken a leadership role in a dedicated working group focused on driving this transition among our suppliers. Last year, the primary focus was on Turkey, while this year, efforts have centered on China to further expand our impact.

As part of this initiative, we have provided free educational webinars and consulting services to both suppliers and sub-suppliers, covering renewable energy solutions and the development of climate roadmaps.

Additionally, we have been exploring competitive alternatives to International Renewable Energy Certificates (I-REC) for renewable energy certification in China, including the Green Electricity Certificate (GEC), to ensure suppliers have credible and regionally available options for verifying their renewable energy use.

With the support of Cascale, we also use the Higg Facility Environmental Module (Higg FEM) to assess the environmental impacts of production facilities in the most critical areas.

In 2024:

- 60 (50) factories, representing 60% (78) of our spend, assessed their environmental performance in the Higg FEM.
- Our next step is to roll out the Higg FEM self-assessment to our supply chain partners in tier 2 and upwards (including fabric manufacturers, laundry and dyeing mills), where we know we have a higher environmental impact in terms of energy, water, and chemical usage.

Our third-party verified FEM score across participating factories was 49.57 (59.19) out of 100 based on combined average scores for:

- Energy: 55.55 (82.82)
- Water use: 57 (75.38)
- Wastewater: 35.4 (64.19)
- Waste management: 45.75 (44.55)
- Air emissions: 36.95 (45.3)
- Chemicals: 41.16 (37.58)
- Environmental management systems: 72.5 (63.81)
- Our aggregated vFSLM score for participating factories in 2024 was 68.11% (87.7) Aggregated section scores were:
- Recruitment & Hiring: 97% (97.4)
- Working hours: 85% (87.9)
- Wages & Benefits: 85.7% (88.3)
- Worker Treatment: 79.6% (99.7)
- Health & Safety: 93.5% (94.6)
- Termination: 99.8% (99.7)
- Management systems: 72% (72.42)
- Above & Beyond: 14% (7.3)

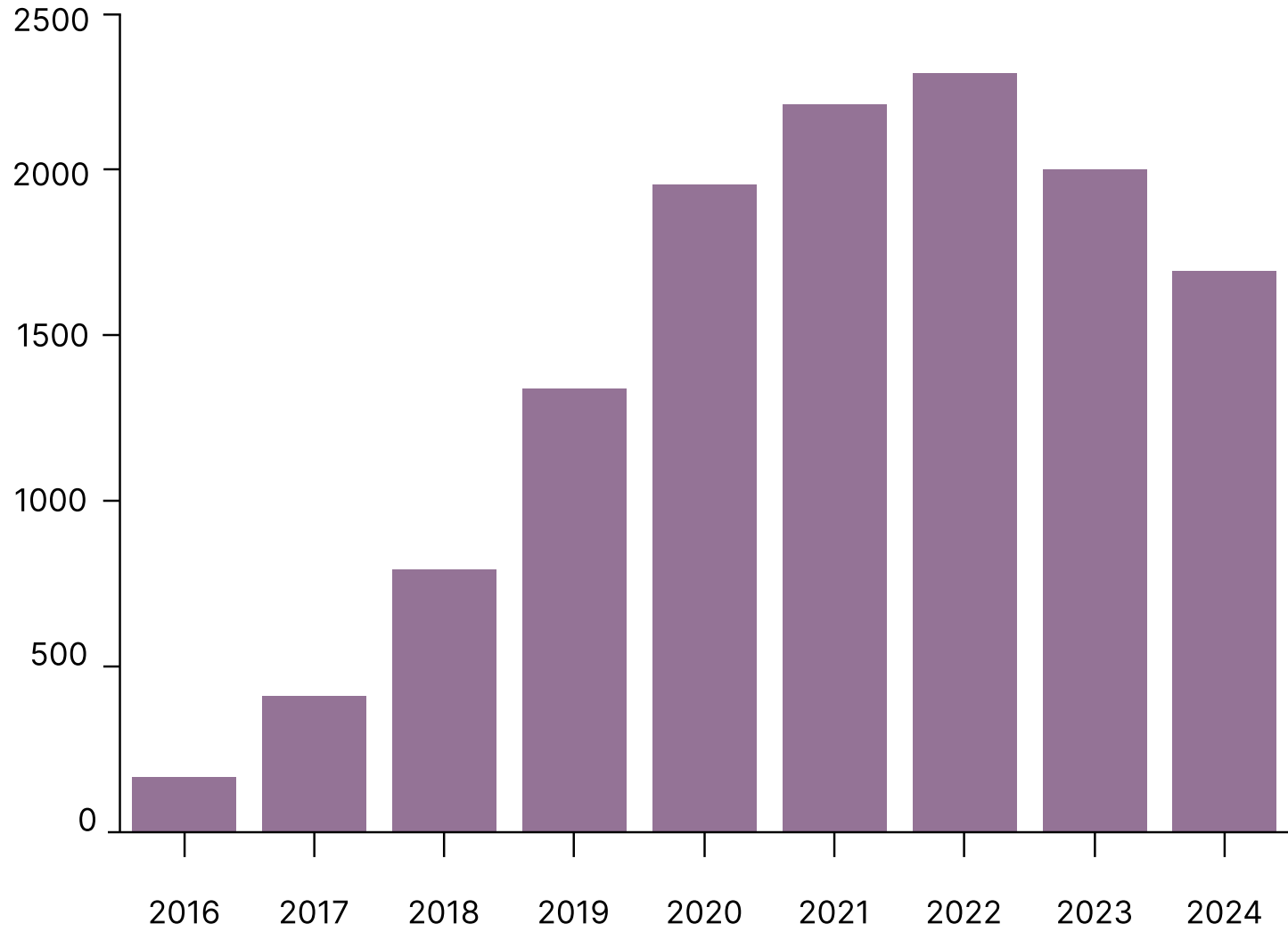
vFSLM roadmap	2021	2022	2023	2024
Goals	5%	20%	30%	50%
Actual	4%	14.3%	6%	3.64%

Higg FEM x2	2020	2021	2022	2023	2024
Goals (FEM)	10%	25%	50%	80%	80%
Actual (FEM)	79%	88%	78%	78%	51%
Goals (vFEM)		10%	25%	40%	50%
Actual (vFEM)		15%	11%	23%	22%

as % of spend

Financial numbers

Turnover (MSEK) per year 2016-2023



Consolidated income statement summary

Amounts in MSEK	2024-01-01 – 2024-12-31	2023-01-01 – 2023-12-31	2022-01-01 – 2022-12-31	2021-01-01 – 2021-12-31
Net sales	1727.0	2.012.70	2345.5	2,299.2
Other operating income	74.5	150.2	87.2	111.1
Operating expenses				
Cost of goods sold	-796.0	-952.8	-1297.6	-1,275.1
Other external costs	847.9	-978	-1248.0	-1,274.9
Personell costs	-132	-172	-183.7	-180.4
Depreciation and amortisation of tangible and intangible assets	-121	-107.2	-86.0	-78.0
Impairment for expected credit losses	-35.5	-3.3	-52.5	-17.9
Other operating expenses	-60.2	-125	-66.6	-67.9
Operating loss	-190.6	-175.2	-501.6	-483.9
Result from financial items				
Interest income and similar income	3.8	39.5	17.2	1.7
Interest expense and similar charges	-228.6	-171.9	-96.7	-54.9
Loss before taxes	-415.4	-307.6	-581.0	-537.0
Income taxes	-0.8	-4	-0.4	-6.5
Net loss for the year	-416.2	-311,6	-581.4	-543.5
Applicable to				
Parent company's shareholders	-416.2	-311,6	-581.4	-543.5

Risk Management

Climate change & environment;
risks, implications and opportunities for NA-KD

Risk	Risk description	NA-KD mitigation measures
Increased costs and price volatility of raw materials	Higher temperatures and water shortages combined with intensified extreme weather risks (rains and droughts) will likely affect the supply of cotton and other key raw materials for the textile industry.	Prepare for price fluctuations in budgets. Increase variety of materials to reduce risk exposure.
Supply chain disruptions: damaged manufacturing facilities and disrupted distribution networks	Changes in intensity and frequency of extreme weather events like hurricanes, droughts, floods and changes in precipitation patterns (e.g. flooding of harbours). Production disruption may also occur due to social unrest and climate migration. Consequences could be increased production and transportation costs and products not being delivered on time, negatively impacting sales and margins.	Nearshoring manufacturing reduces risks of disruptions in transportation. This also increases short term flexibility. Spreading the production to different countries and regions is of most importance to mitigate the risk.
Changing consumer attitudes and purchasing behaviour	<p>Increasing consumer environmental awareness will affect buying and consumption behaviours negatively affecting the fashion industry in general. Gen Z customers are more prone to changed behaviours than earlier generations.</p> <p>Rising temperatures and unpredictable seasonal cycles may lead to consumers notwanting to buy what they usually do at a certain time of year – which may lead to implications on inventory efficiency and cash flow. E.g. late start of winter plummets demand for outerwear.</p>	Opportunity for alternative business models, such as second hand, “re-take model” and rental business. Increase quality/longevity of products to fit a circular business module. Need to show real action and leverage from NA-KD's ambitious sustainability strategy with proven lower environmental impact than competitors. Continue to build trust among customers. Improve planning and buying accuracy.
Energy price increases	Energy price increases during transition period to a green economy may impact costs for NA-KD, both directly and indirectly with increased energy costs for business partners that would spill over to increased costs for NA-KD.	Proactive agreements for own energy supply and increase own production of renewable energy by solar panels. Continue to work with suppliers and their factories to transition to renewable energy sources.
Shortage of recycled materials	The demand for recycled materials, and in particular polyester, is increasing rapidly from several industries and risks causing a lack of supply over time, with increased prices as an effect.	Continue to proactively look for new innovative alternatives to recycled polyester. Support of start-up businesses with orders of new more sustainable materials to enable scaling.

For our greatest risks to the planet, please see our environmental salient rights here.

Our related policies

- Code of Conduct
- Environmental Policy
- Restricted Substances List

Risk management cont.

People & Human Rights; risks, implications and opportunities for NA-KD

Risk	Risk description	NA-KD mitigation measures
PR risk if supply chain working conditions are not managed well	If working conditions in supply chain (factories, warehouses, transportation) are not up to standards and this becomes known, there is a risk for negative PR, which may impact brand value and investor relations.	Continue with risk-based human rights due diligence through social audits. Training of purchasing staff prior to factory visits. Execute on sustainability strategy for fair working conditions and wages.
Difficulties in recruitment and retention because of a potential and negative PR event	The younger generation is more values-driven so a PR event owing to social risks may impact retention and recruitment of sufficient, competent talent.	As above, plus communicate transparently on our actions, challenges and progress.
Legal risks if social working conditions are not managed well in own operations	If we, or a close business partner where we have a legal responsibility, is not living up to legislation on working conditions (e.g. wages, occupational health and safety, working hours).	Continue to train our managers on internal policies. Managerial Handbook launched 2022. Continuous Code of Conduct training to all employees.
Financial risks if working conditions are not managed well and a PR crisis leads to loss of sales	This is true for working conditions and potential human rights violations both internally and in our supply chain.	As all of the above.
Material supply shortage due to working conditions in supply chains (e.g. Xinjiang cotton)	Poor working conditions and forced labour situations in some regions may impact cost and supply of raw materials (e.g. Lester in UK, Xinjiang in China, Myanmar).	Execute on our strategy for supply chain traceability to identify raw material origin and secure diverse spread of raw material sourcing to mitigate risks. Continue to execute human rights due diligence.

Our related policies

- Code of Conduct
- Supplier Code of Conduct
- Human Rights Policy
- Work Environment Policy
- Equal Treatment Policy
- Alcohol & Drug Policy
- Rehabilitation Policy

Risk management cont.

Governance; risks, implications and opportunities for NA-KD

Risk	Risk description	NA-KD mitigation measures
New and rapidly changing legal and regulatory land-scapes (local, national, regional)	This may lead to increased costs due to resources required to comply, as well as impacting sales if not being able to comply. Foreseen price on carbon, regulations on transparency and reporting will increase costs and administration for all companies. Recent examples: French producer responsibility,UK law on recycled plastics in packaging, the proposed NY Fashion Act and the EU Textile Strategy.	Monitor legal and regulatory developments closely. Execute on the ambitious sustainability strategy, product footprint and traceability plans to be one step ahead of legislation and keep costs under control.
Lack of harmonisation in legislation, causing admin and cost increases	With rapidly changing regulations in local markets, this risks overburden global companies if legislations are not harmonised.	Monitor legal and regulatory development closely, and advocate for harmonised legislations.
Insecure supplier relationships following delayed payments	To build close long-term supportive supplier relationships, it is fundamental to pay on time according to agreements.	Continued close, transparent and proactive dialogue with all our suppliers on payment terms and conditions, and ensure payments are done on time
Financial risks: price on carbon / import tax on carbon to Europe	There are wide political discussions about setting a formal price on carbon, import tax on carbon to Europe (consumption based).	Secure anti-corruption training of employees and everyone working on behalf of NA-KD. Continue with Code of Conduct training and training in all other policies, in particular for managers.
Legal and PR risks if we do things wrong	If NA-KD employees or close business partners do not adhere to applicable legal and regulatory frameworks, there is naturally a legal and PR risk associated with this.	

For our greatest risks to the planet, please see our environmental salient rights here.

Our related policies

Code of Conduct

Anti-bribery Policy

Anti-money Laundering and Counter Terrorism Policy

Conflict of Interest Policy

Tax & Fraud Policy

Data Protection Policy

Trade Sanctions Policy

Whistleblowing Policy

GRI Index

GRI Standard	Disclosure	Location	Notes
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 54-55	
	2-2 Entities included in the organization's sustainability reporting	p. 54	
	2-3 Reporting period, frequency and contact point	p. 54, 64	
	2-4 Restatements of information	see notes	Due to faulty material reports for year 2023, we have needed to update and recalculate all the data for 2023 regarding; All climate calculations for overall emissions as well as scope 3 Purchase goods and services, changes are made on page 21-26 for all targets and data. Targets regarding for all our materials on page 30, as well as for specific material targets on cotton and man made cellulosic fibers on page 31 and for Polyester and polyamide on page 32. Targets for our recycled materials on page 39.
	2-5 External assurance	p. 54	The sustainability report has been assured by EY to be in compliance with the Swedish Annual Accounts Act, but no further assurance has been made of the content of the report.
	2-6 Activities, value chain and other business relationships	p. 3, 5, 12-14, 55	
	2-7 Employees	p. 44-45, 55	
	2-8 Workers who are not employees	p. 47	
	2-9 Governance structure and composition	p. 17, 44-45, 55	
	2-11 Chair of the highest governance body	p. 55	
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 17	
	2-13 Delegation of responsibility for managing impacts	p. 17	
	2-22 Statement on sustainable development strategy	p. 4	
	2-23 Policy commitments	p. 20, 29, 37, 43, 47	
	2-24 Embedding policy commitments	p. 20, 29, 37, 43, 47	
	2-25 Processes to remediate negative impacts	p. 21, 48, 52	
	2-26 Mechanisms for seeking advice and raising concerns	p. 44-45	
	2-27 Compliance with laws and regulations	see notes	No significant instances of of non-compliance with laws and regulations occurred during the reporting period.
	2-28 Membership associations	p. 10-11, 20, 31, 47, 48, 51	
	2-29 Approach to stakeholder engagement	p. 11-14	
	2-30 Collective bargaining agreements	p. 44-45	

GRI Index cont.

GRI Standard	Disclosure	Location	Notes
GRI 3: Material Topics 2021	3-1 Process to determine material topics 3-2 List of material topics 3-3 Management of material topics	p. 11-14 p. 15-16 p. 15, 16, 20-27, 29-35, 37-41, 43-51, 53-54	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed 201-2 Financial implications and other risks and opportunities due to climate change 201-4 Financial assistance received from government	p. 57 p. 45 see notes	No financial assistance has been received from government during the reporting period.
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	p. 42 see notes	No complaints or confirmed incidents of corruption or anti-competitive behaviour were reported in 2024.
GRI 301: Materials 2016	301-1 Materials used by weight or volume 301-2 Recycled input materials used 301-3 Reclaimed products and their packaging materials	p. 29-32, 39 p. 39 see notes	No reclaimed products during 2024.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 22	5% of emissions in scope 1 & 2 comes from estimates. The emission factors used in the calculations come from the Swedish Transport Administration (Trafikverket). Calculations include CO ₂ emissions.
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions	p. 22 p. 23-25	The emission factors used in the calculations come from the Swedish Energy Markets Inspectorate (Ei), IEA and AIB European residual mixes. Estimates for energy consumption for different facility types are from the Swedish Energy Agency. Calculations include CO ₂ emissions. The calculations are based on 95% actual data and 5% estimates. Emission factors for all fuel and energy related activities are from the Swedish Transport Administration (Trafikverket), The Swedish Energy Markets Inspectorate (Ei), IEA and AIB European residual mixes. Emission factors for business travel come from ICAO Carbon Calculator (adjusted for RFI 2.7), Trafikverket, Hertz Sustainability report 2019, the report "Branschläget 2018" by Svenska Taxiförbundet, NTM, and "Travel and climate, Methodology Report. Version 2.0," by Larsson & Kamb (2019). Our accredited transport emission calculations are done according to the GLEC framework. All specific emission factors can be found within the GLEC framework. For air transport, emission factors used are based on the ICAO/IATA methodology, which differs for regional, continental and intercontinental air transports. For ocean transport, emission factors are used form the CWGC framework, which corrects for worldwide container trade lanes. For road transport, GLEC default values are used which are primarily based on HBEFA, NTM, UK BEIS, Base Carbon and Smartway USA. Emission factors for road shipments are partly modelled based on payload, if so, this is done according to the CLECAT methodology. For rail GLEC default values are used. All emission factors are updated yearly. The used GLEC update is from September 2024. This new version has been updated with new higher emission factors for certain fuels. All scope 3 calculations include CO ₂ emissions.
305-1 Direct (Scope 1) GHG emissions		p. 22	Including scope 1,2, and 3 emissions. Calculations include CO ₂ emissions.
305-2 Energy indirect (Scope 2) GHG emissions		p. 22	Calculations include CO ₂ emissions.

06. GRI Report 2024

GRI Index cont.

GRI Standard	Disclosure	Location	Notes
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal	see notes p. 39-41 p. 41 p. 41 p. 41	Described in NA-KD's Environmental Salient Rights document
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken	p. 56 p. 21, 26	p. 52 No supplier relationships were terminated as a result of environmental impact assessments. Further details please see NA-KD's Environmental Salient rights document.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee 404-3 Percentage of employees receiving regular performance and career development reviews	p. 44 p. 44	We are working to improve the granularity of data until next year's reporting.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men	p. 44-46 p. 44-46	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 45-46	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 49	Further details, please see NA-KD Salient Human Rights document.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	p. 49	Further details, please see NA-KD Salient Human Rights document.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 49	Further details, please see NA-KD Salient Human Rights document.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken p. 46	see notes p. 47-50	NA-KD had 19 new suppliers that were all screened using social criteria during 2024. Numbers presented based on data available through third-party verified social audits (amfori BSCI, Higg vFSLM and Sedex SMETA) conducted in 2024, covering 100% (94%) of NA-KD's total business volume (including active and inactive tier 1 producers). Numbers include factories with a valid Social Audit during 2024, which might have been conducted up to 2 years earlier (e.g. factories with A- and B-ratings in amfori BSCI and factories with SA8000 certificates conducted or issued in the calendar year 2023). The data also includes low risk countries where e.g. worker representation is not a legal requirement. No supplier relationships were terminated as a result of social impact assessments.
GRI 416: Customer Health and Safety 201	416-2 Incidents of non-compliance concerning the health and safety im-pacts of products and services p. 33		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	see notes	NA-KD had 19 new suppliers that were all screened using social criteria during 2024.

NA-KD

If you have any questions about this report, need help finding specific information or have any other questions on our sustainability ambitions and progress, policies or ways of working, please contact: eleonor.bjorserud@na-kd.com or press@na-kd.com

We appreciate your feedback!