

Modern Slavery & Human Trafficking statement for Nobia AB

Statement for financial year 2020

This statement has been developed in accordance with the Modern Slavery Act 2015 and sets out Nobia Group's commitment and actions to understand and, as far as possible, prevent the risk of modern slavery and human trafficking taking place anywhere in our operations or supply chains.

Modern slavery is a crime that encompasses slavery, servitude, forced labour and human trafficking'. Modern slavery has no place in our business or supply chains and Nobia Group has a zero-tolerance approach to Modern Slavery and welcomes the requirements of Section 54 of the UK Modern Slavery Act.

We acknowledge the risk of forced labour occurring in global supply chains and understand that Modern Slavery risk is not static, hence we will continue to develop and strengthen our practices to protect people from unlawful and immoral practices. We are strongly committed to playing our part in eradicating modern slavery.

Our business

Nobia is a leading European kitchen provider and its operations span from development and manufacturing to distribution and sales. Kitchen solutions are sold under some fifteen brands as well as under private labels. Nobia has production facilities in several European countries, where the kitchens are manufactured and assembled. Sales to private individuals are conducted through own stores and a network of franchise stores and retailers. Nobia's products are also sold to professional players such as construction companies and property developers. Our supply chain is global.

Nobia is organized so that the first stages of the value chain; product development, sourcing, production and logistics have Group-wide management functions. The group wide structure enable capitalization on scale and the possibility to a harmonized and structured approach to risk assessment and due diligence.

Our production facilities are in the Nordics, UK and in Central Europe. In total Nobia has around 6000 employees, of which almost all are permanent. Only approximately 1 per cent of our employees are temporary..

Of our suppliers of direct material, 99% are from Europe and the remainder from Asia. Global supplier chains can involve labour-related risks, such as modern forced labour. Nobia works actively to prevent all forms of modern slavery.

We understand that our biggest exposure to Modern Slavery is in our supplier's operation, hence, we are taking several steps to mitigate the risk of modern slavery in our supply chain. Centralised sourcing provides Nobia with the opportunity to apply a structured work method in terms of setting requirements, and monitoring and developing suppliers' work. Our supply chain extends across different markets. To govern this environment, we have a policy framework and processes to support our ambition to promote business ethics, respect for human rights, and the environment in our supply chains.

Our policy framework

Corporate responsibility and corporate sustainability is anchored in Nobia's corporate culture and is underpinned by a policy framework. Our framework for human rights encompasses Nobia's Code of Conduct, our policy on modern slavery and our Supplier Code of Conduct and aims to create responsible and sound business operations for the long term. Our commitment means that we support and respect international conventions on human rights, work actively on employee well-being and promote diversity and equality. Using our tool for supplier evaluations, we evaluate and monitor such issues as compliance with human rights.

- Code of Conduct; our Code of Conduct govern all business and operations and is based on the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD guidelines for multinational enterprises.
- Supplier code of conduct; our supplier code of conduct is a binding part of our supplier agreement and regulates and govern Nobia's requirements on suppliers with regards to labour conditions, human rights, business ethics, environmental performance etc.
- Sustainability strategy; our sustainability strategy is our roadmap with four long term focus areas.

Our way of working

Sustainability and social responsibility integrated in to business and operations

Sustainability is an integrated part of our operations and is pursued at various levels, from the Board's approval of Group-wide policies and principles to operational reviews, risk assessment and goal-oriented work in our business units. Sustainability should permeate our entire business and all our employees have a responsibility to contribute to our sustainability agenda. Our engagement and commitment have been implemented in frameworks and work processes. At Group level, we have a central sustainability function responsible for strategic sustainability led by our Head of Sustainability.

Supplier sustainability program

Respect for human rights, with a starting point in the ten principles of the UN Global Compact as well as local labour legislation, is an important part of our work and is reflected in both our internal guidelines and processes as well as in our requirements for and monitoring of suppliers. Since 2018 we have taken big steps forward in our work to include all relevant suppliers in the new responsible sourcing programme. Our programme for responsible sourcing covers risk analysis, review and evaluation and contains an anonymous channel for reporting violations of our Supplier Code of Conduct. Our Supplier Code of Conduct regulates and governs Nobia's supplier requirements concerning working conditions, human rights, business ethics and environmental considerations. The programme covers approximately 300 significant suppliers, corresponding to 99 per cent of the total cost for direct materials. Since the supplier base is not constant, new suppliers need to be reviewed and old suppliers phased out. This means that our supplier programme for responsible sourcing is active throughout the year.

Training, awareness raising and competence development

We provide employees with regular Code of Conduct training, both online and face-to-face, designed to address key risks and user needs. Corporate leaders, such as our management teams, also receive training. Apart from our Code of Conduct workshops and training, sustainability trainings, including human rights training, are developed and carried out.

Grievance channel for employees

We offer an anonymous communication tool to our employees to raise issues and concerns related to our Code of Conduct in a simple manner. We monitor the number and type of employment-related grievances received each year. This allows us to gain a better understanding of which issues are being raised, where they are being raised and how issues are being resolved to help prevent the need for further grievances to be raised.

Grievance channel for suppliers

We wish to advocate business ethics, taking responsibility, and transparency throughout our supplier chain. That is why we have implemented an anonymous communications tool for reporting behaviour that violates our Code of Conduct for Suppliers. Our Supplier Code of Conduct regulates and governs Nobia's requirements for suppliers about working conditions, human rights, business ethics, environmental performance, and so on. Our suppliers in turn should pass on these expectations to their suppliers, to ensure observance throughout the supply chain. Through the communications tool, suppliers can report any irregularities, completely anonymously, and there are internal structures for managing cases.

Mergers and acquisitions

New business activities such as mergers and acquisitions or country and market expansion can carry additional risks which require increased focus. In mergers and acquisitions, for example, we ensure that our due diligence process looks at issues such as employment contract status of all the workforce and any ongoing disputes or issues. In some circumstances, we address concerns by commissioning an expert review and investigation.

Follow up and reporting

We monitor compliance with and results of our sustainability framework both annually and on a continual basis. Through our annual reporting, we follow up on and communicate the results of our commitments in social, economic, and ecological sustainability annually. Furthermore, Nobia AB is annually communicating its progress within the field of the 10 principles of the UN Global Compact. We also continuously monitor compliance with our Code of Conduct and Supplier code of conduct through our reporting channels of rules violations.

Next step

No one company or sector can successfully address these issues alone. That is why we will continue to work with our business partners and other stakeholders to promote responsible business practices and the respect for human rights.

This statement was approved by the Board of Directors of Nobia AB in 2021

Signed



Jon Sintorn, President and CEO