

MODERN SLAVERY STATEMENT 2024:

INTRODUCTION:

This statement is made on behalf of Polarn O. Pyret (PO. P) AB according to the UK Modern Slavery Act 2015. It applies to, and sets out the steps, PO. P has taken during the fiscal year from 1 September 2023 to 31 August 2024 to address modern slavery and violation of human rights within its supply chain and its own operations. PO. P is committed to upholding human rights within its operations and value chain, and we expect our suppliers and business partners to uphold the same standards. This commitment includes a zero-tolerance policy for any form of modern slavery, including forced labor. We work collaboratively with our manufacturers, their workers and third-party organizations to mitigate any risk identified.

ABOUT PO. P AND ITS SUPPLY CHAIN:

Since 1976, we have been dedicated to creating high-quality clothes that can be loved, worn and handed down. We call this design that lasts. PO. P is a well-known Swedish brand for baby and childrenswear, with products that are designed, produced and distributed through online, proprietary and franchise stores. We are established in 9 markets and on 10 e-commerce platforms. Our own e-commerce accounts for more than half of the net sales in PO. P's own operated channels. Our head office is located in Stockholm, Sweden. We have a production office in Hong Kong, as well as offices in the UK and Finland. PO. P brings together approximately 500 employees.

PO. P doesn't own any own factories – instead we work in close partnerships with a carefully selected number of external suppliers worldwide to manufacture our garments. The products we sell under the PO. P brand are manufactured by 28 production units in 8 different countries. Our products are shipped to PO. P's distribution center in Helsingborg, Sweden, and from there distribute to various sales channels. Reporting transparently on our supply chain practices and operations is core to our approach to sourcing. We publish our supplier list on our website [Supplier List | Polarn O. Pyret UK](#) and disclosed our Tier 1 supply chain. Our public supplier list is updated on six-monthly basis to reflect the current assortment. We are in process of mapping our tier 2 suppliers. Once the overview is complete, we aim to publish the tier 2 units as well.

PO. P's Sustainability & Quality Director is responsible for developing the sustainability strategy (including human rights and due diligence) and is, part of management team, accountable for its implementation and follow-up. The Sustainability & Quality Director leads the sustainability team, that works to implement the sustainability strategy across the organization and the value chain. At PO. P sustainability not confined to a single team's responsibility but integrated into roles across the entire organization. The Asia office based in Hongkong plays a crucial role by enabling PO. P to be closer to production units, which facilitates continuous monitoring of fair working conditions in the factories PO. P works with.

OUR POLICIES & COMMITMENTS RELATING TO MODERN SLAVERY:

The activities within our value chain are affected by legislation and industry standards. In addition, we have policies that govern the decisions taken in all operations. To support realizing our commitments to respect human rights, in our own operations as well as in the value chain, we have adopted policies and guidelines based on internationally recognized standards and norms e.g. the OECD Due Diligence guidance for Responsible supply chain in textile sector, the International Labour Organization standards, the UN guiding principles on business and human rights. We review and update our policies and processes when relevant to continuously address emerging risks and legislative changes, as well as to incorporate improvements.

Our Master Purchase Agreement and its appendices set out our minimum requirements and expectations for suppliers to uphold human rights, labor, environmental, ethical and legal requirements in their own operations and their supply chains. All onboarding suppliers include relevant policies as part of their supplier's agreement. All suppliers producing goods for us are required to comply to our Code of Conduct, which is an integral part of the supplier agreement. Our approach emphasizes collaboration and improvement rather than immediate termination. If a supplier is found to be in violation of the Code, we provide them with an opportunity to address the issue and implement corrective actions. This process reflects our commitment to fostering sustainable and ethical practices throughout our supply chain, promoting accountability while supporting our partners in meeting the required standards.

We manufacture our clothes from suppliers around the world. We work closely with our partners and many of them have worked with us for many years. It is important for us who we work with, and that is why we place high demands on safety, quality, the environment and social responsibility. We adhere to the Amfori Code of Conduct and require our suppliers to comply with it as part of their agreement.

CODE OF ETHICS:

We have established a Code of Ethics, which serves as our internal Code of Conduct for employees, providing a foundational framework to uphold integrity, accountability, and professionalism in the workplace. It is designed to offer clear guidance on handling diverse situations that may arise at workplace, helping ensure that all actions align with our core values and ethical standards. This Code is applicable to all activities conducted by, or on behalf of, PO. P, with the statutory and regulatory requirements in every jurisdiction where we operate.

The Code of Ethics provides general guidance on how to handle various situations that may arise at our workplace. It applies to all activities carried out by, or on behalf of, PO. P, together with the statutory and regulatory provisions in force wherever we conduct our business. It applies to everyone working at the company, regardless of whether they are an employee, consultant or board member. The behavior of each and every one of us defines PO. P and its reputation in the outside world.

CODE OF CONDUCT:

Polarn O. Pyret is fully committed to maintaining high ethical standards throughout its supply chain, ensuring safe, fair, and transparent working conditions. This policy applies to all individuals employed by or conducting business on behalf of PO. P and its affiliates. To support this commitment, PO. P as an active member of the Amfori BSCI (Business Social Compliance Initiative), emphasizing dedication to ethical labour practices and the protection of all individuals involved in our production processes. All PO. P suppliers are required to follow the Code of Conduct, which consists of thirteen important areas within which both minimum requirements and best practice are defined. The thirteen areas are:

1. Social Management System
2. Worker's involvement and Protection
3. The Right of Freedom Association and collective Bargaining
4. No Discrimination, Violence and Harassment
5. Fair Remuneration
6. Decent Working Hours
7. Occupational Health and Safety
8. No Child Labour
9. Special protection for young workers
10. No Precarious Employment
11. No Bonded, Forced Labour or Human Trafficking
12. Protection of the Environment
13. Ethical Business Behavior

This commitment includes systematic risk assessments, training, inspections, and continuous improvement efforts at all levels of the supply chain. The Amfori BSCI Code of Conduct is founded on key international labour standards that safeguard workers' rights. In addition to our engagement with Amfori BSCI, we sometimes collaborate with factories that hold SA8000 certification. To obtain SA8000 certification, a factory must meet comprehensive standards covering child labour, forced labour, health and safety, freedom of association, the right to collective bargaining, non-discrimination, disciplinary practices, working hours, compensation, and management systems.

HUMAN RIGHTS POLICY:

At PO. P, we recognize our responsibility to operate with respect to human rights. Our approach to human rights is based on the UN guiding principles on Business and Human rights, the OCED guidelines for multinational enterprise and the UN children's right and business principle. We are committed to ensuring that fundamental rights are respected, and that people are treated with dignity and respect, regardless of race, sex, nationality, ethnicity, language, religion, or any other status – in our own operations and in our supply chain. Through human rights due diligence processes, we are committed to identifying, preventing, and mitigating any human rights violations resulting from or caused by our business activities. Our approach to prioritizing areas for due diligence can be reviewed in our Human Rights Policy <https://www.polarnopyret.co.uk/pages/human-rights-policy>

WHISTLE BLOWER FUNCTION:

PO. P is dedicated to identify and prevent any irregularities that could seriously impact our business, employees, or anyone involved in the production of our garments. To support this, we have established a whistleblower system that complements our standard internal reporting processes. This system allows individuals to report suspected issues, such as violations related to modern slavery, labour practices, and human rights.

PO. P provides suppliers with a secure and confidential whistleblowing channel through a specialized platform managed by our partners, Amfori and Accord. This reporting function encourages individuals throughout the supply chain to raise concerns freely. We urge employees to report any breaches of the Code of Conduct and to uphold ethical practices whistle blower function provided by PwC through an external whistle blowing function.

PO. P ensures that the whistleblowing channel maintains confidentiality and protection against retaliation, with all reports thoroughly investigated to prompt corrective actions, thereby reinforcing the integrity and fairness of our operations and partnerships. Further information about the whistleblower policy can be found [Whistleblowing | Polarn O. Pyret UK](#).

HUMAN RIGHTS DUE DILIGENCE PROCESSES:

PO. P has a global commitment towards sustainability and takes an approach to social and environmental impacts. We proactively identify, prevent, and minimize any negative impact our business activities may have on human and labor rights through a rigorous due diligence process. Our approach on due diligence is guided by the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct and the sector guide OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector. To identify any actual or potential adverse impacts on our clothing manufacturers, we conduct desk-based risk assessments as well as on-site factory audits.

In line with the upcoming CSRD legislation we have in 2024 performed our double materiality assessment (DMA) to evaluate the impacts of our operations and value chain on high-impact areas. The DMA allows us to assess the broader effects of our activities on human rights, including how our operations affect workers, communities, and value chains. It provides deeper insight into practices related to forced labor, poor working conditions, working hours, fair wages, etc., which can have significant consequences on affected communities. This assessment highlights the potential consequences on affected communities and enables us to prioritize actions that uphold human rights and promote responsible business practices.

PO. P's Due Diligence established by OECD is based on six-part framework:

Governance: We uphold responsible business practices through policies on Human Rights, Climate & Environment, Anti-Bribery, Ethics, and Consumer Privacy.

Identifying Impacts: We assess impacts through annual risk assessments, supply chain mapping, and factory audits, using tools from Amfori BSCI and Trustrace.

Mitigating Impacts: We mitigate risks through pre-contract assessments, regular audits, and continuous supplier engagement and improvements.

Monitor & track: We monitor and evaluate our due diligence efforts to ensure compliance and identify areas for improvement.

Communication: We share our impact management actions via sustainability reports, website, social media, and stakeholder engagement.

Remediation: We provide remediation as needed, based on our impact and influence.

SUPPLY CHAIN MAPPING AND TRACEABILITY:

Working with traceability and visibility in the supply chain is key to our ability to identify any risks, measure, monitor and ensure improvements in the factories and manufacturing facilities with which we work. There is always a risk working with external parties and not being on-site on a day-to-day basis to control working conditions and safety. Hence it is crucial to have clear requirements and to work with continual monitoring, remediation, and capacity building to minimize risks. Our production office located in Hong Kong monitors all our suppliers worldwide. Consolidating orders and reducing the number of suppliers in our supply chain is key to mitigating risk and to being able to work effectively with supply chain mapping. The work to complete the mapping of our suppliers and their upstream suppliers, improve our understanding of the factories involved in the various stages of material production is continuous and ongoing.

Working with fewer suppliers gives us greater possibilities to influence each factory, as well as better end-to-end control over our supply chain. We evaluate our suppliers ahead of each season and, in line with our production strategy, we set supplier-specific plans based on this assessment. In our due diligence process, we consider social as well as environmental criteria before approaching a new market. It is also important for us to be transparent towards our customers and all our stakeholders by giving them insight into our business activities along the supply chain. With the implementation of the software Trustrace, we started the journey to collect data from the entire supply chain, with the aim of full traceability for each individual item we produce. Greater insight into the supply chain will enable us to identify and mitigate risks as well as work in a more hands-on way with improvements throughout the value chain.

We focused on ensuring traceability for key suppliers covering 80% of our product range. Through this we aim to provide customers with detailed insights into manufacturing locations, social audit status, and environmental certifications.

RISK ASSESSMENT & MANAGEMENT:

We work proactively to identify, prevent, and minimize any negative impact our business activities may have on the environment as well as on human and labour rights in our production countries. Our due diligence process involves regular risk assessment of each production market, suppliers as well as our own operations, products and services, from a social, environmental and brand perspective. We use the ESG Risk Assessment tool provided by Amfori to identify risks on our production markets, we also consider national legislation and global political factors in our assessment as well as several guiding documents and tools from GRI, OECD, UN, WWF, Textile Exchange and more.

PURCHASING PRACTICES:

We recognize that our sourcing and purchasing practices have a significant social and environmental impact. Adopting responsible sourcing and purchasing practices is therefore a key measure in order to avoid negative impacts caused by our business conduct in the supply chain. We focus on building strong, long-term partnerships with our key suppliers and on conducting business in a manner that enables realization of the requirements in our Code of Conduct and other related policies. During the year we have started the process of reviewing our purchasing strategy to further deepen the aspects of buying responsibly.

FACTORY AUDITS:

Regular third-party audits are conducted at supplier facilities through Amfori BSCI, focusing on labour practices, working conditions and overall compliance with human rights standards. These audits are carried out by independent and credible third-party organizations. Auditors evaluate working conditions, wage practices, safety, and compliance with international human rights standards. This external verification provides transparency and assurance that our suppliers uphold our commitment to prevent modern slavery. Additionally, our QC Manager & CSR Auditor based in our Far East production office regularly visits the factories and follows up with them verbally (not doing follow-up audits) on how they are progressing with their improvements and corrective action plan. During a compliance check, we review all aspects of code of conduct thoroughly. If any issues are identified, we collaborate with the supplier to develop a comprehensive action plan aimed at addressing and improving those areas. For cases falling under zero-tolerance categories, immediate corrective action is mandated, ensuring the supplier rectifies the non-compliance without delay."

PREVENTING, MITIGATING AND REMEDIATING RISKS IDENTIFIED:

When working with external parties in risk countries, it is crucial to have clear requirements, continual monitoring and remediation to minimize risk. We utilize a combination of external and internal inspections, which serve different purposes, alongside capacity building to ensure a high standard at the factories with which we collaborate. We track implementation and results.

At Polarn O. Pyret, we take a proactive stance in identifying, preventing, and addressing risks of modern slavery and human rights abuses within our supply chain. Our commitment includes establishing a framework for prompt action when risks are detected and effective remediation when violations are found.

Our supplier audits highlighted that the main challenges our factories are facing, that is effective management systems and minimizing overtime. Working hours remain the area with the lowest score across all our suppliers worldwide. In this area, Seventy-Six percent (85) of our factories scored D (From scale A-E, A represents very good and E- unacceptable and not compliant with zero tolerance requirements). While the score represents an improvement compared to the previous year, it remains below the standard achieved in other areas. In the audits during FY23/24 no cases of involuntary overtime have been detected. The issue we face with overtime in our supply chain is that it is excessive. In the upcoming fiscal year, we intend

to have a close dialogue with our suppliers to understand the root causes and explore their long-term strategies for reducing overtime.

Various factors contribute to overtime, some can be related to buying companies purchasing practices while other factors can be related to supply chain. To address the risk of excessive overtime, we will continue providing training and guidance while working collaboratively with factories to foster improvements.

Throughout the reporting period, we did not receive any reports or grievances related to forced labor within our production supply chain. We stay proactive and dedicated to upholding high standards by consistently monitoring and collaborating with our suppliers. This helps ensure that human rights are upheld and that any potential risks of forced labor are quickly identified and managed.

KEY PERFORMANCE INDICATOR (KPI):

AUDIT STATUS:

General Audit status	2023/2024	2022/2023
Production units in tier 1 with third-party valid social audit reports*	93%	88%
% of order value placed at tier 1 production units with a valid 3 rd party audit	97%	97%

*BSCI, SA800 and Sedex

BSCI Audit breakdown in tier 1 production units, % of order value	2023/2024	2022/2023
SA800 – Best Practice	0%	1%
A – Very Good	8%	11%
B – Good	31%	21%
C – Acceptable	57%	63%
D – Unsatisfactory	0%	0%
E – Unacceptable	0%	0%
ZT – Zero Tolerance	0%	0%
Other audit such as Sedex	2%	1%
No audit – No valid audit	3%	3%

DEVELOPMENT OF BSCI AUDIT RESULT:

Development of BSCI audit result	2023/2024	2022/2023	2021/2022
Number of production units in tier 1 with overall improved BSCI rating since previous audit*	3	7	10
Production units in tier 1 with overall improved BSCI rating since previous audit*	12%	23%	22%

*including production units that remain a A or SAV000 result

Share of number of internal or external audits*	2023/2024	2022/2023	2021/2022
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Internal audits	35%	35%	20%
External audits	65%	65%	80%
Total number of audits	40	40	49
*internal = PO. P factory Assessment, PO. P CAP follow up. External = SA8000, BSCI audits, other 3 rd party audits excl. Accord electrical.			

PRODUCTION DATA AND PRODUCTION COUNTRIES:

General production data	2023/2024	2022/2023
Number of tier 1 production units with order value	28	30
Number of production countries	8	7

PRODUCTION COUNTRIES:

Production countries, % of order value	2023/2024	2022/2023
Bangladesh	24,6%	22,1%
China	56,9%	64,8%
Germany	0,1%	0.0%
India	3,9%	1,9%
Latvia	3,5%	1,7%
Lithuania	2,8%	2,8%
Republic of Korea	2.5%	3,0%
Sweden	0,0%	0,0%
Turkey	5.9%	3,8%
Vietnam	0,0%	0,0%

BREAKDOWN OF BSCI AUDIT RESULTS OF 13 PERFORMANCE AREAS FOR 2023-2024:

2023/2024	A Very good	B Good	C Acceptable	D Unsatisfactory	E Unacceptable	ZT Zero Tolerance
Management system	0%	12%	84%	4%	0%	0%
Employee participation in decision-making	52%	36%	12%	0%	0%	0%
Freedom of association	100%	0%	0%	0%	0%	0%
Discrimination	96%	4%	0%	0%	0%	0%
Salary & remuneration	44%	40%	16%	0%	0%	0%
Working hours	16%	0%	4%	76%	4%	0%
Environment, health and safety	100%	0%	0%	0%	0%	0%
Child labor	100%	0%	0%	0%	0%	0%
Young workers	100%	0%	0%	0%	0%	0%
Dubious/unlawful forms of employment	96%	4%	0%	0%	0%	0%
Bonded labor	100%	0%	0%	0%	0%	0%
Environment	88%	12%	0%	0%	0%	0%
Ethical business practice	100%	0%	0%	0%	0%	0%
Total breakdown	76%	8%	9%	6%	0%	0%

TRAINING & CAPACITY BUILDING:

PO. P, provides training programs in collaboration with Amfori for suppliers. These trainings are designed to help suppliers understand and recognize the signs of forced labor, empowering

them to implement and maintain safe, fair, and transparent labor practices. Amfori provides the Amfori Academy platform, which enables training modules, webinars, and resources covering essential topics like modern slavery awareness, ethical recruitment, human trafficking, forced labour and responsible sourcing. The training materials can be tailored to meet the specific needs of different supply chain participants, helping suppliers to improve their understanding and implementation of ethical labor standards.

Polarn O. Pyret is a member of the International Accord for Health and Safety in the Textile and Garment Industry (Bangladesh Accord), a legally binding initiative focused on improving safety standards in garment factories. Our participation supports independent factory inspections, corrective action plans, and safety training for workers, with a strong focus on fire, electrical, and structural safety.

Through our involvement in the Accord, we are committed to upholding safe and fair working conditions, directly contributing to the prevention of exploitation and modern slavery in our supply chain.

LOOKING AHEAD/FUTURE FOCUS:

As part of our ongoing commitment to ethical practices, we are prioritizing constructive dialogue with our suppliers to foster continuous improvements in working conditions in line with the Amfori BSCI Code of Conduct. Our approach includes implementing corrective actions identified through Amfori audits and delivering targeted supplier training on essential topics for improvements. By fostering open communication and providing targeted education, we aim to ensure that suppliers remain fully informed and proactive in upholding ethical labor practices.

We continue our efforts to identify and address risks related to human rights, forced labour and broader modern slavery impacts. Alongside ongoing human rights due diligence, we plan to prioritize key actions in the coming years to further strengthen our approach to mitigating modern slavery risks and impacts:

1. **Extended Supply Chain Mapping:** Continue mapping our supply chain beyond tier 1 factories to identify modern slavery risks deeper within the supply chain, where vulnerabilities may be more significant.
2. **Policy and Procedure Strengthening:** Further develop and refine our policies and procedures to better address human rights risks, with a specific focus on modern slavery across our operations and value chain.
3. **Risk Assessment Improvement:** Strengthen our risk assessment processes to more effectively identify forced labor and modern slavery risks, with particular attention to vulnerable high-risk groups. The assessment process will not the least encompass the results from the double materiality assessment carried out during 2024, helping us address actual and potential adverse human rights related impacts.
4. **Enhanced Training:** Strengthen training programs for staff and workers across the supply chain to equip them with the skills needed to identify and address potential

cases of forced labor. Additionally, consider providing targeted training on modern slavery for supply chain members to enhance awareness and responsiveness.

5. **Strengthened Grievance Mechanisms:** Develop and promote accessible grievance channels for workers within our supply chain, enabling them to report unethical practices, including forced labor, confidentially and without fear of retaliation. We will work to ensure these mechanisms are available in multiple languages and culturally adapted to suit workers in different regions.

Through these actions, we strive to build a supply chain that not only meets legal standards but also promotes the well-being and fair treatment for workers.

For more information about Polarn O. Pyret and its organizational structure, supply chain risk management and due diligence see our [Sustainability Report](#).

Any questions related to this report or the sustainability work carried out by PO. P can be directed to: sustainability@polarnopyret.se.

APPROVAL:

This statement has been approved and signed by the Board of Directors of Odin Retail Limited, company number 05384555, and by the CEO of PO. P Sara Sjöberg, on_____.