MODERN SLAVERY STATEMENT 2026

This statement is published in accordance with the UK Modern Slavery Act 2015. It sets out the steps taken by Kappahl AB, which, through Kappahl Sverige AB, has a subsidiary in the UK, during 2025, to address modern slavery and human trafficking in its own business and supply chain.

THIS IS KAPPAHL - ORGANISATION STRUCTURE AND SUPPLY CHAINS

Founded in 1953 in Gothenburg, Sweden, the Kappahl Group is a leading fashion chain in the Nordics, with around 350 Kappahl and Newbie stores in Sweden, Norway, Finland, Poland and the UK, and online in more than 20 markets throughout Europe and Asia. In the UK, we are only present with the brand Newbie.

The Kappahl team consists of some 4,000 colleagues in eight countries, with different backgrounds, ages, skills and styles. Our common motivation is to create a responsible world of fashion and offer fashion to a wide variety of people and lifestyles.

In 2025 our sales were 5.1 (5.1) billion SEK and profit before tax was 368 (421) million SEK. Kappahl Group is a consolidation of companies, directly or indirectly, 100% owned by Kappahl AB. Kappahl AB is ultimately owned by Mellby Gård AB, a family owned, long-term investor based in Malmö, Sweden. The total capitalization was 4,217 million SEK, whereof total liabilities 1,604 million SEK and total equity 2,614 million SEK.

Kappahl does not own any factories but cooperated during the financial year with around 120 suppliers and 250 factories, mainly in Asia. Our supplier list can be found on https://www.kappahl.com/en-us/about-kappahl-group/sustainability/suppliers-factories.

For more information about the sustainability work at Kappahl or Newbie, please visit https://www.kappahl.com/en-us/sustainability, or https://www.newbie.com/en-us/sustainability.

ID:71ab2630-d140-11f1-8df6-97a8b6cc94cc Status: Signed by all

Kappahl

OUR POLICIES PROMOTING HUMAN RIGHTS AND ANTI-SLAVERY

At Kappahl Group, we respect human rights. We recognize our responsibility to protect human rights and our ability to contribute to the advancement of human rights in the world. We believe these issues are essential to our business and sustainable growth and important to all of us who work at Kappahl Group, as well as our owner, customers, business partners, human rights organizations, regulators, and to the communities where we operate.

Our Human Rights Policy adheres to international standards for human rights. We understand human rights as those expressed in the International Bill of Human Rights, the International Labor Organization's Declaration (ILO) on Fundamental Principles and Rights at Work, and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Our policy is also informed by the Ethical Trading Initiative's (ETI) Base Code. Our Human Rights Policy can be found at https://www.kappahl.com/globalassets/about-kappahl-group/documents/kappahl-group-human-rights-policy.pdf?ref=D3FB2E7871.

Our Ethical Guidelines build on our Human Rights Policy. Everyone working at or together with Kappahl Group is continuously informed about our Ethical Guidelines and what they entail, helping to shape a shared approach to key issues such as corruption and conflicts of interest. In addition, our suppliers undertake to comply with our requirements regarding business ethics and anti-corruption practices via our Sustainability Commitment for Suppliers, found at https://www.kappahl.com/globalassets/about-kappahl-group/documents/kappahl-group-sustainability-commitment.pdf?ref=A58BD23010.

We are committed to ensuring that the people who work for our supplier factories and subcontractors have decent working conditions, reasonable working hours and a fair wage. Our Sustainability Commitment is a binding document through which we implement our policies in the supply chain. The suppliers commit to follow international human rights standards and ensure that no violations occur, particularly in relation to child labor, sexual harassment and gender-based violence, forced labor, working time, occupational safety and health, trade unions and collective bargaining, and wages, which are among the sector risk factors listed by the OECD. We have zero tolerance for forced labor and child labor.

ID:71ab2630-d140-11f1-8df6-97a8b6cc94cc Status: Signed by all

ID:71ab2630-d140-11f1-8df6-97a8b6cc94cc Status: Signed by all

OUR SUSTAINABILITY STRATEGY

Our sustainability strategy aims to make Kappahl Group transition to a sustainable business model and create a responsible world of fashion. The Kappahl and Newbie brands share the same sustainability strategy.

At Kappahl Group we work in three strategic areas in order to reduce our salient sustainability risks, contribute to creating a responsible world of fashion and drive the transformation to a sustainable business model. These three areas are Environment, Social and Transparency.

Kappahl Group's sustainability strategy is based on guidelines and principles from international bodies such as the United Nations, Ethical Trading Initiative, OECD, and the Science Based Targets initiative. It is updated on a yearly basis with input from the insights we get from our value chain and our stakeholder dialogue. Kappahl Group applies the Precautionary Principle, works proactively and participates in industry collaborations to achieve long-term sustainable development. We report on our progress in our annual sustainability report.

RISK ASSESSMENT AND MANAGEMENT APPROACH

Kappahl Group's management approach to its material impacts, risks & opportunities is informed by the GRI standards, the Norwegian Transparency Act, the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, the UN Guiding Principles and the EU Corporate Sustainability Due Diligence Directive (CSDDD). Although these documents differ in phrasing and scope, the content can be summarized as: 1. Embed responsible business conduct into the enterprise's policies 2. Identify and assess actual and potential adverse impacts 3. Implement suitable measures to cease, prevent or mitigate adverse impacts 4. Track the implementation and results of measures 5. Communicate publicly 6. Provide for or co-operate in remediation and compensation where this is required.

The risk assessment is carried out on a yearly basis by an internal expert team, and takes into account risks from a sector, product, business model, country, and sourcing model perspective.

Risks in the supply chain and capacity-building

Violations of human rights constitute a risk where also vulnerability is greatest: in our production countries. We work to protect and promote human rights in several ways, addressing working conditions, wages, child and forced labour, freedom of association, safety and health. Responsible purchasing practices, partnership with suppliers, capacity building such as training for factory workers and factory management and financing an education centre for vulnerable women in Dhaka, are some examples of our ongoing

work to increase awareness of these matters, both internally and among our suppliers. We see a need to work for greater transparency and to increase suppliers' capacity, giving them clearer responsibility, via a combination of our own initiatives and industry initiatives such as through the industry initiatives Cascale and the Ethical Trading Initiative (ETI).

The risk for corruption is greatest at the supplier stage. We have zero tolerance of any type of corruption and have a high level of internal control. It is highly unusual for us to identify cases of corruption among employees or suppliers. We continuously assess all our operations for risks related to corruption. In 2025 we terminated our relationship with one supplier due to unethical behaviour and implemented our responsible disengagement policy.

Kappahl Group has started implementing the TrusTrace traceability software to gain visibility in the lower tiers of the supply chain. In 2023, we introduced a new anti-corruption training for employees. We update the course annually, track completion rates, and continuously enhance interactivity to align with our new learning platform.

DUE DILIGENCE PROCESS

Kappahl launched its first Code of Conduct (CoC) for Suppliers in 1997. In November 2021, the 'Kappahl Sustainability Commitment for All Business Partners' replaced our Code of Conduct and broadened the scope of cooperation to include all tiers in Kappahl's value chain. The Sustainability Commitment is a binding document that establishes mutual responsibility in the relationship with our business partners who commit to work proactively to meet these requirements within their own operations, but also in other business relationships and in their supply chain.

Due diligence is a process under constant development in Kappahl Group. To be able to identify, prevent, mitigate, remediate and account for adverse impacts in our value chain we need to take actions at several levels. Currently we work closely with our tier 1 suppliers that share our values and can support our purpose to create a responsible world of fashion. When entering a partnership with a tier 1 supplier our Sustainability Commitment is signed and we have own staff annually visiting and reviewing these suppliers. If adverse impact regarding human rights or the environment is discovered, measures will be taken and openly reported in the next sustainability report.

Our one traceability goal is for 100% of our suppliers to have full traceability tier 1-4 by year 2025. We did not quite reach this goal - 70 (61) % of our suppliers shared supply chain mapping down to raw material level with us. Our other traceability goal is for 100% of our assortment to have main fabric traced to tier 4 by 2026. In 2025, 95 (19) % of our assortment had Purchase Order tracing of main fabric/main fibre down to raw material level.

ID:71ab2630-d140-11f1-8df6-97a8b6cc94cc Status: Signed by all

Monitoring the Sustainability Commitment

When entering new production markets, we evaluate the situation concerning human rights, legislation on working conditions and terms of employment. We also evaluate factors such as factory and land ownership structures with the aim of identifying and avoiding the greatest risks.

Employees at our local Production Offices monitor Kappahl's Sustainability Commitment in three steps: identify non-conformances, initiate improvement measures, and support the work of improvement and if applicable remediation. Another important task is to coordinate and cooperate with the purchasing organisation to ensure production at factories that live up to our requirements. We have an ongoing dialogue on sustainability issues with our suppliers, with the ambition that our visits and follow-ups will encourage them to take ownership, for example for social conditions and environmental impact. Kappahl Group performs Supplier Evaluations once a year with all suppliers where sustainability performance is one part that is evaluated and used for decisions on continued partnership and new orders. From 2024, we use our Supplier Ranking Tool, which is a systematic way of weighing different criteria: working conditions in Tier 1, transparency Tier 1-4, data sharing through Higg FEM & FSLM modules, climate action and monitoring & corrective action plans. The Supplier Ranking Tool is the basis for the strategic KPI: 'Correlation purchase volume allocation and supplier ranking'.

Table 1 Monitoring the Sustainability Commitment

KPIs for supply chain	2025			
	CMT (Tier 1 or vertical)	Processing factories	Nominated fabric factories	Agents & importers factories
Total number of factories	147 (149)	85(65)	17 (31)	21 (42)
Total number of factory reviews at new factories	20 (16)	3 (2)	2 (6)	0 (2)
Total number of factory reviews at existing factories	78 (76)	44 (36)	8 (16)	0 (15)
Total number of follow up visits	160 (38)	0 (0)	0 (0)	0 (7)
Not reviewed new factories	0 (1[1])	0 (0)	0 (0)	0 (3)[2]
Approved	128 (127)	85 (65)	17 (31)	20 (40)
Temporarily approved	19 (22)	0 (0)	0(0))	1 (2)
Unsatisfactory, corrective action plan established[3]	9 (2)	0 (0)	0 (0)	0 (0)
Unsatisfactory, relation terminated[3]	10 (0)	0 (1)	0 (0)	0 (0)

1. During 2024, one new factory belonging to our supplier in Pakistan was opened without own staff visit using only verified Higg FEM and FSLM modules as risk assessment.

2. Constitutes factories in the category of agents/importers that have not reached a certain order value or are not in a country described as a high risk.

3. RMG Sustainability Council (RSC).

ID:71ab2630-d140-11f1-8df6-97a8b6cc94cc Status: Signed by all

We conduct regular reviews at the factories and suppliers we cooperate directly with, where interviews with factory workers are included. These are either Tier 1 cut-make-trim (CMT) or vertical factories, Tier 1 processing factories, Nominated material suppliers or Agents and Importers. See Table 1 for the performance on the key performance indicators related to monitoring the Sustainability Commitment.

Reviews

All supplier factories are reviewed by us. If a new factory meets our requirements at the first inspection it is classified as Temporarily Approved. To ensure that the factory meets our requirements, follow-up visits and subsequent new review are made within 12 months. Only then can the factory be classified as Approved. If we discover non-conformances at our reviews our default position is to bring about change instead of terminating the collaboration. In these cases, the supplier and factory draw up a Corrective Action Plan (CAP) to correct the non-conformances. If a supplier does not cooperate, or a factory does not carry out the agreed improvements, we limit or stop the order placement.

PROMOTE CHANGE

To influence and drive development forward in the production countries we are active and involved in several partnerships and industry initiatives.

The Transparency Pledge is a coalition of a number of large global organizations (Human Rights Watch, IndustriAll, Clean Clothes Campaign, etc.) to improve transparency in the fashion industry's supply chains. Kappahl Group has published our supplier lists on our website since 2013 and are also working on a number of different solutions for increased transparency. To be clear with our commitment, we joined the Transparency Pledge in Autumn 2019 and follow their requirements for transparency linked to the supply chain.

In addition, we work towards having our suppliers report in the Higg Index Facility Social and Labor Module (FSLM) tool. Being a member of Cascale means that we have to increase the share of suppliers using the FEM as well as the FSLM tools year by year. As a signatory of the Social & Labor Convergence Program (SLCP), we support a standardized approach to social and labour assessments. This collaboration helps reduce audit fatigue for suppliers and enables to access verified data that can be used to drive continuous improvement across our supply chain.

In 2024, Kappahl Group made a financial commitment to support the Employment Injury Scheme (EIS) Pilot in Bangladesh. This initiative provides financial protection to workers against workplace injuries and fatalities in the ready-made garment sector. The EIS Pilot covers all 4 million garment workers. It aims to run for 3 to 5 years, focusing on establishing operational aspects in the initial three years and subsequently transitioning into a full-fledged insurance protection scheme embedded within Bangladesh's national framework.

ID:71ab2630-d140-11f1-8df6-97a8b6cc94cc Status: Signed by all

We also continue our long-term collaboration with the TCM Foundation to empower women, eliminate gender-based discrimination and poverty, and promote human rights in Bangladesh. As part of this effort, we are funding an industrial sewing training centre for women on the outskirts of Dhaka, equipping them with valuable skills for economic independence. Since it opened in 2009, the training centre has trained in total 1,710 women. At the training centre underprivileged women are trained in industrial sewing, as well as on their rights as workers and on other basic life skills such as financial literacy, access to financial services, health and hygiene, participation in decision making. Furthermore, they receive free training with allowances and join export-oriented RMG factories after successful completion. Thus, the training centre significantly contributes to enhance women's ability to contribute financially, participate in decision making, access resources, and cope with risks in society as a whole.

The content of this statement is an extract from our sustainability report for 2025, found at https://www.kappahl.com/globalassets/corporateabout/documents/sustainability-reports/kappahl-group-sustainability-report-2025.pdf?ref=590D6EE975, which has been approved by Kappahl AB's Board of Directors in April 2026.

Elisabeth Peregi
President and Chief Executive Officer, Kappahl AB
Mölndal, 2026, date as indicated by my signature

ID:71ab2630-d140-11f1-8df6-97a8b6cc94cc Status: Signed by all

Verification

Status: Signed by all

Title: Modern Slavery Statement UK 2026

Created: 2026-10-26

ID: 71ab2630-d140-11f1-8df6-97a8b6cc94cc

Signatures

Elisabeth Peregi
elisabeth.peregi@kappahl.com
Signed: 2026-10-26 14:55 Swedish BankID 197110254203,
ELISABETH PEREGI

Attachments

File	Size	Checksum
Modern Slavery Statement UK 2026.pdf	158.9 kB	b7db 87fb 3327 c0c0 18b4 8a19 2991 43e2 d1f8 c02b 38ac 6ebf d967 9652 4811 7d38

Events

Date	Time	Event
2026-10-26	14:27	Created | Sandra Roos, Kappahl Sverige AB 5560604158. IP: 212.181.6.210
2026-10-26	14:55	Signed | Elisabeth Peregi Completed with: Swedish BankID by ELISABETH PEREGI, 197110254203. IP: 212.181.6.213

Verification Issued by Svensk e-identitet AB
This verification confirms the contracting parties of the above agreement and contains relevant information to verify the identity of the contracting parties as well as relevant events in relation to the signing procedure. To this agreement are separate data files attached, containing additional information of technical character to attest the authenticity and validity of the documents and of the signatures (to access the files, please use a PDF reader able to show attachments). Hash is a fingerprint given to each individual document to verify its identity. For more information, please refer to the documentation attached.
Verification, version: 1.24