

NilsonGroup respond to reports alleging shoe companies are not meeting their responsibility to respect human rights across their global supply.

NilsonGroup values this type of investigations, it increases the knowledge about human rights and makes the development within this area go in the right direction. We will take part of the comments said about us and include them in our future work on sustainability.

Below you will find replies to the questions asked to NilsonGroup by **Business & Human Rights Resource Centre**. All statistics are based on the purchases made for 2016, for NilsonGroup private labelled footwear.

1) Does your company source from Eastern Europe? If yes, from which countries and what are the shares?

Yes, we do.

For 2016 we sourced 7457754 pairs for our private labelled shoes. 0,87% is sourced from Eastern Europe. The countries sourced from in Eastern Europe are:

Country of Origin	Share
Romania	0,54%
Albania	0,23%
Bosnia-Herzegovina	0,054%
Macedonia	0,026%
Ukraine	0,021%
Estonia	0,0032%
Serbia	0,0026%

2) How does your company assess the wage levels and make sure that the amount it pays is enough for a decent wage?

We ask our suppliers to perform third part social audits. We then go through the audits and follow up on deviating areas.

3) What wages does your company pay at its 5 top suppliers? Please, specify countries.

Our top 5 suppliers are placed in China.

At these suppliers we are paying more than minimum wage (1860 Yuen) per month.

Supplier 1: 3028 – 6028, average: 4438 Yuen

Supplier 2: 2800 – 8832, average: 3388 Yuen

Supplier 3: 2750 – 6000, average: 3583 Yuen

Supplier 4: 3000 – 6500, average: 4583 Yuen

Supplier 5: 2402 – 4590, average: 2954 Yuen

4) What wages does your company pay at factories in Eastern Europe, including Albania, Bosnia & Herzegovina, Macedonia, Poland, Romania, Slovakia?

We have not yet taken part of any detailed wage lists, but will do so as soon as possible.

5) How does your company make sure that the piece rate system is not leading to abuses such as unpaid overtime, hurdles to use PPEs?

At our inspections in the factories we conduct interviews with the workers, both single and group interviews, asking them questions of the wage system in the factory. The interview is conducted without any other employees from the factory present in the interview room.

6) How does the company make sure that PPE is provided? Is your company aware of the issues described in "Labour on a shoestring" report, such as hot/cold temperatures, fainting, etc.? If yes, what does the company do about it?

We make audits in the factory, where this includes checking for PPE and the usage of it.

We also conduct trainings for EHS that includes PPE and why and how to use it.

Yes, we are aware of these situations and we conduct trainings to prevent this as described above.

For more information or questions please contact us at CSR@nilsongroup.com

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