

SUSTAINABILITY REPORT '25

Natex of Scandinavia A/S



ABOUT US

Natex of Scandinavia A/S is a textile sourcing and manufacturing partner operating across a global supply chain. The company is committed to responsible production, transparency, and ethical business practices. Sustainability is embedded into Natex's core operations, including supplier management, product development, quality assurance, and compliance systems.

Natex works closely with its suppliers to ensure that social, environmental, and product responsibility standards are consistently applied, monitored, and improved over time.

SOCIAL RESPONSIBILITY & LABOR STANDARDS



Natex is a member of Amfori BSCI which is a **supply chain monitoring system**, helps to improve social & environmental performance (ESG) in the global supplier networks, using a shared Code of Conduct and standardized audits to ensure fair labor, health & safety, and ethical practices, focusing on **continuous improvement**.

Natex enforces a zero-tolerance policy toward child labor, forced or bonded labor, discrimination, harassment, or abuse throughout its supply chain. Workers employed by Natex suppliers are paid above the legal minimum wage in Bangladesh, China, and India. Overtime is voluntary and compensated at premium rates. Equal pay for equal work is applied regardless of gender, and legal maternity protection and statutory benefits are respected.

GOVERNANCE & DUE DILIGENCE

Supply Chain Due Diligence

- Natex conducts structured supply chain due diligence aligned with international standards including:
 - **UN Guiding Principles on Business & Human Rights**
 - **ILO Conventions**
 - **OECD Guidelines**
 - **amfori BSCI Code of Conduct**

Supplier Monitoring

- **20 active suppliers** across **Bangladesh, China, and India**
- All suppliers are monitored under **amfori BSCI**
- Minimum accepted performance: **C score**
- Target after subsequent audits: **B score**
- Suppliers with C scores receive **additional training and improvement support**

Natex actively identifies, prevents, and mitigates social, environmental, and governance risks through audits, corrective action plans (CAPs), and continuous supplier engagement.

ENVIRONMENTAL RESPONSIBILITY

Below are the environmental certifications and processes we ensure before working with our suppliers in India, China and Bangladesh

Chemical Management (ZDHC)

- Natex is a **ZDHC Signatory Friend – Vendor** and is committed to:
- ZDHC MRSL adoption
- Chemical testing and wastewater control
- Monitoring chemical compliance through audits and testing

Certifications

- **OEKO-TEX® Standard 100** achieved
- Ongoing progress toward **OEKO-TEX STeP** and **Made in Green**
- Natex certifications include **GOTS**, **GRS**, **RWS**, **amfori BSCI**
- All suppliers in Bangladesh are **Higg FEM verified** (minimum grade C)

Energy, Water & Emissions

- Life Cycle Assessments (LCA) conducted (Cradle-to-Gate) for customers.
- Energy use and emissions monitored via supplier data
- Focused on renewable energy adoption (e.g. solar)
- Wastewater treatment required before discharge
- Water and energy data collected through Higg FEM

The Higg FEM assesses:

-  Environmental Management Systems
-  Energy Use and Greenhouse Gas Emissions
-  Water Use
-  Wastewater
-  Emissions to Air (If Applicable)
-  Waste Management
-  Chemical Management



CU 1079973



CU 1079973



CU 1079973 11-76338



STANDARD 100



ZDHC (Zero Discharge of Hazardous Chemicals):

A global initiative to eliminate hazardous chemicals from textile supply chains by controlling inputs and waste-water outputs.



toet, metdium craft-temved
on thes baithring & anasewring:
stated.untillo.nre.wuocetecitrousestot.com

A product certification that confirms textiles are tested for harmful substances and are safe for human use.



A certification that ensures wool comes from farms with responsible animal welfare, land management, and traceable supply chains.



Global Recycled Standard

A certification that verifies recycled content and ensures environmental, social, and chemical compliance through the supply chain.



A certification for organic textiles that covers the entire supply chain with standards for ecological and social criteria.



A standardized assessment tool that measures a factory's environmental performance, including energy, water, and anad emissions.



A scientific method to evaluate the environmental impact of a product across its entire life cycle.

Ø ZDHC

At Natex, we are dedicated to using sustainable chemicals and ensuring environmental responsibility across our supply chain. As part of our commitment to the Zero Discharge of Hazardous Chemicals (ZDHC) framework, we have set clear goals to enhance chemical safety and wastewater management.

Short-Term Goals:

- **ZDHC Level 1 Compliance:** We are focused on ensuring all our suppliers meet Level 1 compliance, which includes completing analytical testing and providing Safety Data Sheets (SDS) for all relevant chemicals.
- **Supplier Focus:** Our immediate priority is to support suppliers in Bangladesh and China to achieve Level 1 compliance.
- **Transparency:** We are collecting ChemCheck and InCheck reports from our suppliers to ensure transparency and track their chemical inventory for compliance with ZDHC standards.

Long-Term Goals:

- **ClearStream Reports:** We are working to help all suppliers generate ClearStream Reports to monitor and improve wastewater management performance.
- **Full ZDHC Conformance:** Our long-term objective is for all our suppliers to achieve ZDHC Level 3

DIGITAL PRODUCT PASSPORTS

DPP (Digital Product Passport) is a mandatory EU requirement under the **Ecodesign for Sustainable Products Regulation (ESPR)**, effective from **2027**. Each textile product will have a **QR code** that links to a digital record, giving the product a unique digital identity. Natex has already started working on DPPs and providing customers QRs to not only build trust but also to comply with EU requirements.

Contents of DPP

- Product Description/Identity
- Composition
- Supply Chain
- Transport
- Documentation
- Environmental Impact
- Social Impact
- Impact on Animals
- Circularity
- Health Impact
- Information on the Brand
- Communication/Identification Media
- Quantity
- Costs
- Usage and Customer Feedback
- Tracking and Tracing After Sales

- usage instructions, location, product lifespan (durability), care guidelines
- material content
- production flow
- logistics data
- certificates & audits
- emissions & footprint
- labor & human rights
- welfare standards
- recycling & reuse, repairability, maintenance, resale
- chemical safety
- company details
- QR/NFC links
- production volume
- transparency data
- user experience
- lifecycle monitoring



SCW Pike (Mens Polo T-shirt)

Material(s):

60% Recycled Cotton, 40% Recycled Polyester 60% Recycled Cotton - , 40% Recycled Polyester
Show less

LIFE CYCLE ASSESSMENT

- **Cradle to Gate (handled by Natex):**

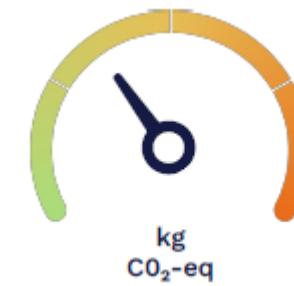
Natex measures Life Cycle Assessments (LCA) covering emissions from raw material extraction to the point of export. The company is developing its Product Lifecycle Management (PLM) system to enable calculation of individual product LCAs, which is a key target for the coming years. The example of one of our products shown is an LCA analysis for a fabric made from 60% recycled cotton and 40% recycled polyester, where the score is based on a streamlined LCA using the **ReCiPe 2016 midpoint methodology**, with impacts reported both as a total and by each production step in the supply chain.



Environmental impact per kilogram of product



Supply chain steps	Global warming (kg CO ₂ -eq)	Fossil Energy (MJ)	Water use (Liter)	Land use (m ²)
Fiber materials	1.07	11.0	377	2.8
Yarn production	0.91	10.3	3	0.0
Fabric production	0.55	6.2	2	0.0
Dyeing and finishing	3.30	38.7	9	0.0
Manufacturing	1.26	14.2	59	0.0
Transport	1.10	15.3	2	0.0
Total	8.19	95.6	452	2.9



PRODUCTS, PRINCIPLES & PEOPLE

Responsible Materials

- Usage of **organic, recycled, and certified fibres**
- FSC-certified paper and packaging where applicable
- Recycled cotton and recycled polyester integrated into product development

Animal Welfare

- Only **mulesing-free wool** used
- Wool sourced under **Responsible Wool Standard (RWS)**
- Full farm-to-product traceability ensured for wool products

Materials &
Animal Welfare



Quality Management



- In-house ISO-certified testing equipment's in **China and Bangladesh**.
- Yarn, fabric, and garment testing conducted at inline, mid-line, and final stages
- PPM monitoring and root-cause analysis integrated into quality system
- Non-conforming products are reworked and re-tested

Product Safety

- Chemical, physical, and performance testing before shipment
- Ongoing monitoring of repeat issues and corrective actions

- We are proud to be a **women-empowered** organization.

- Women represent 36% in Bangladesh, 70% in Denmark and 78% in China office.

- We actively encourage our suppliers to offer equal opportunities, fair treatment, and safe workplaces for women at all levels.

Gender
Equality



RISK MANAGEMENT



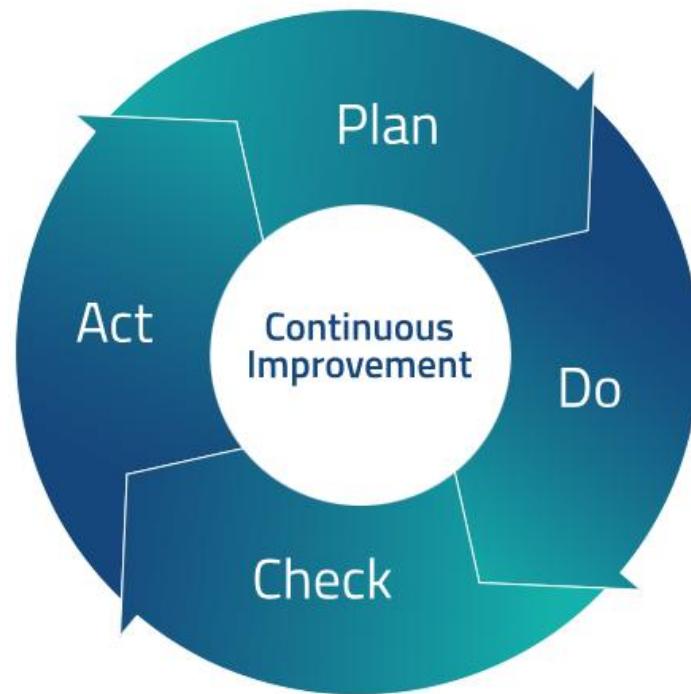
Risk Management is the systematic process of identifying, evaluating, and controlling potential hazards throughout the product lifecycle to ensure safety, quality, and compliance.

At Natex, we manage risks by identifying them early (from order upload to final inspection), assessing their severity and likelihood, and taking preventive or corrective actions based on risk level.

High and medium risks are actively reduced or eliminated, while low risks are continuously monitored to prevent escalation.

Recommended Actions	
High Risk	Eliminate/remove the identified hazard Modify, re-design or re-engineer the product Introduce cautionary labelling & warnings Do not proceed with the development of the product
Medium Risk	Eliminate/remove the identified hazard Modify, re-design or re-engineer the product Introducing cautionary labelling & warnings
Low Risk	Modify, re-design or re-engineer the product Introducing cautionary labelling & warnings

TRANSPARENCY & CONTINUOUS IMPROVEMENT



Natex of Scandinavia ensures transparency and continuous improvement through regular audits and follow-up on corrective action plans (CAPs). The company works closely with suppliers by providing training and encouraging collaboration. Open communication is maintained through supplier portals, and the focus is on improving supplier performance over time rather than dis-engaging.

- **Commitment**

Natex of Scandinavia is committed to building a transparent, ethical, and responsible textile supply chain. The company continuously improves its environmental and social performance while aligning with EU regulations, international standards, and customer expectations.