



Report on

Responsible Business Conduct 2019

for Norrøna Sport AS

□

SUSTAINABLE DEVELOPMENT GOALS



To Readers Of The Report

Business is key for the achievement of the Sustainable Development Goals (SDGs). A well-functioning and responsible business community contributes to sustainable development through job creation and innovative solutions to global challenges. However, business operations can also have a negative impact on people, the planet and the society. Members of Ethical Trade Norway have committed themselves to work with due diligence for a more sustainable business practice.

The basis of this work is Ethical Trade Norway's Declaration of Principles, which covers the decent work agenda, human rights, environment/climate, anti-corruption and animal welfare. Members are obliged to report annually on challenges they face and on measures carried out to address these. The reporting template is this year for the first time based on the OECD due diligence model. It is new for us and new for our members. It is this report you are currently holding in your hands. The report is publicly available on our website.

The template seeks to respond to the expectations concerning due diligence for responsible business conduct as described in the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. Ethical Trade Norway's report covers essential elements of the Global Report Initiative (GRI) reporting framework and can be used as a progress report for the Global Compact.

Heidi Furustøl

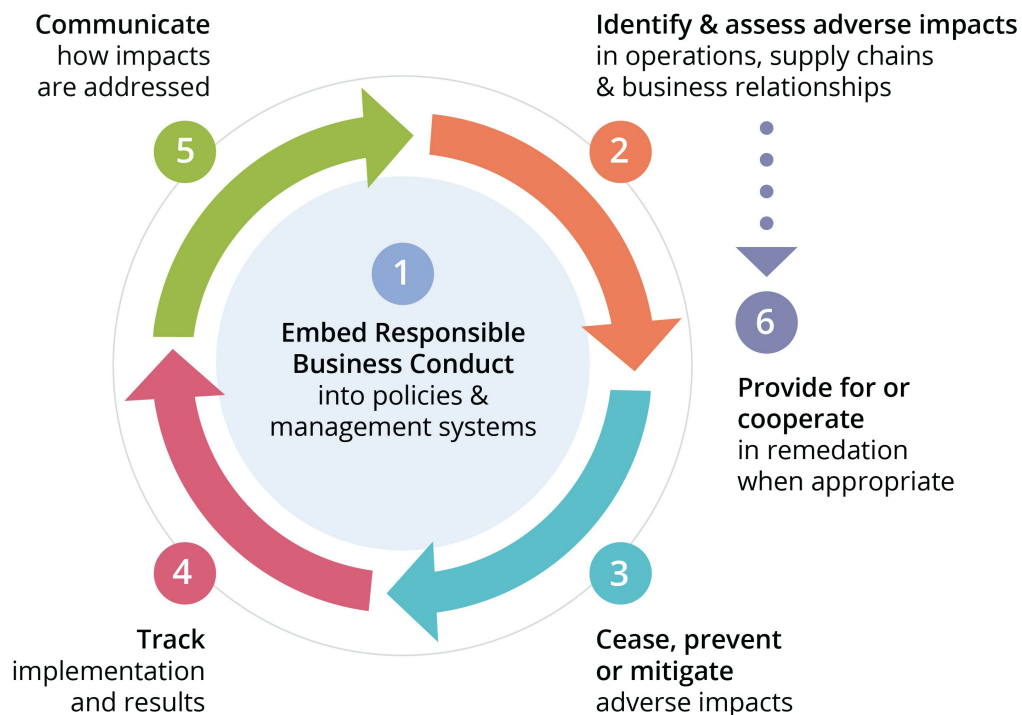
Executive Director

Ethical Trade Norway

Due diligence

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD model for Due Diligence for Responsible Business Conduct.

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.



Preface From CEO

We set very high and demanding goals and we want all our targets to be challenging so we push ourselves hard to move forward fast. These demanding targets obviously makes it hard to reach all our goals every year, but we think it is more important to push ourselves than to reach every KPI every year. We link all our environmental and social ambitions to both our departmental and individual KPIs in the company. By doing so we see that we raise the awareness in the organization, and they help us integrate CSR throughout the value chain. The stretch goals help us stay focused and support our ambition to be among the leaders in our sector. Publishing our goals and our progress helps us maintain transparency and keep us accountable, and helps the consumer to make informed decisions on our products with regard to CSR.

For the upcoming years we will continue to follow the CSR roadmap, and we will be complementing the existing goals with new ones. This way we hope to achieve our target to be among the leaders within CSR in our sector in 2020. In 2018 our board approved the next period, that we have set from 2020 to 2029. In 2029 Norrøna is 100 years old, and we hope by then our company has completed the development to a fully sustainable company without any harmful footprint. Our ambition for 2029 is the following; We are a leader in environmental and social responsibility within our industry, by decarbonized our economy, developing circular business models and improving communities. Our goals for this period is linked and connected to the UN's 17 SDGs.

For 2019 we have had a very good progress on our CSR road map, and we are with in reaching most of our goals for 2020. But we also see areas that we need to develop new goals and improve how we work.

We will work on making new goals and reaching them on the social and labor side for workers in our value chain. Short term the factories we work with, and on mid term workers at the fabric and material suppliers. We will implement new 3rd party verification on social welfare of workers.

We are also through 2020 piloting the Higgs index also including many of the factories we work with. This will also give us a good tool in both benchmarking how we work and finding ways to improve.

We are also starting up our own Norrøna Factory in Lithuania. This will give us good opportunities to fully understand and implement CSR standards from the ground up.

Jørgen Jørgensen
CEO, Norrøna Sport



Company information and business context

Key company information

Company name

Norrøna Sport AS

Head office address

Vollsveien 13H, 1366 Lysaker

Main brands, products and services offered by the company

Technical garments used for skiing, mountaineering, bicycling and hiking. Norrøna offers repair on all of our products.

Description of company structure

Norrøna is organized in 5 departments; Research, Design and Development, Supply Chain, Finance, Marketing and Sales. The management group consists of CEO and a director heading each department.

Turnover in reporting year (NOK)

564 000 000

Number of employees

101

Major changes to the company since last reporting period (mergers, acquisitions etc.)

No changes

Contact person for the report (name and title)

Monika Hedemark

Email for contact person for the report

monika.hedemark@norrøna.no

Supply chain information

General description of the supply chain and the company's sourcing model

Direct purchases of finished goods .

Norrøna also negotiate and nominates the vendors of fabrics and trims for close to 100% of the finished goods.

Number of suppliers with which the company had commercial relations in the reporting year

24

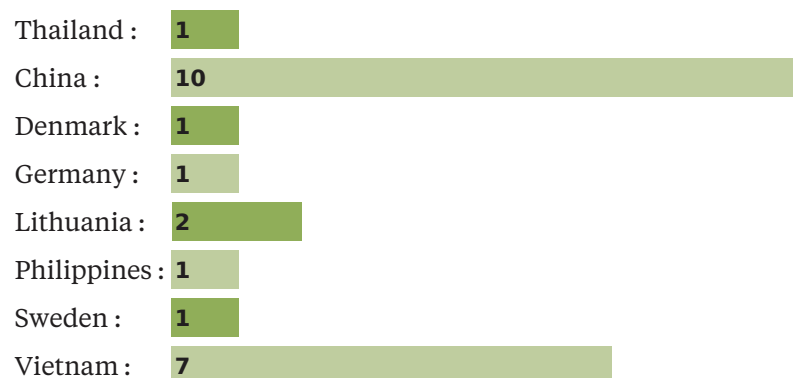
Comments to number of suppliers

24 is the number of cut and sew suppliers we use, material and fabric suppliers are not included, find a number of fabric and trim suppliers

Approximate ratio by sourcing options



List of first tier suppliers (producers) by country



This is our manufacturers partners for garment, socks, hats, gloves, backpacks, wetsuits, belts, goggles

State the number of workers at first tier suppliers (producers) that the company has an overview of and the number of suppliers this overview is based on

Number of workers

28 104

Number of suppliers

24

Comments to number of workers

Some manufacturer have more than one factory, some factories have around 100 workers and some have over 1000 workers

Key inputs/raw materials and associated geographies

Natural woven	China Thailand Taiwan
Synthetic Woven	China Italy Japan South Korea Taiwan
Coated and laminated	Japan South Korea Thailand Taiwan
Knits	Italy Japan Lithuania Thailand Taiwan USA
Leater	China France Africa
Down/feather	China USA
Non woven	China Germany
Trims	China South Korea Taiwan Vietnam

Country given is where our fabric/trims are produced (country of origin)

Is the company a supplier to the public sector?

No

Goals and progress

Goals and progress for the reporting year

1

Goal: Less than 1% air freight by 2016

Status: 3%

2

Goal: 3rd party audit of all factories according to social and environmental standards

Status: 100%

3

Goal: % of cotton products being made by certified organic cotton or reprocessed cotton

Status: 100%

4

Goal: Polyester fabrics used will be made with a minimum of 50% recycled fibres

Status: 100%

5

Goal: Other synthetic fabrics being made with a minimum of 50% recycled fibres

Status: 100%

6

Goal: Use of fabrics that can be verified by 3rd party

Status: 99%

7

Goal: Exclusive use of RDS down

Status: 100%

8

Goal: Exclusive use of traceable or reprocessed wool

Status: 100%

9

Goal : Norrøna only wants to use Responsible Wool Standard (RWS) certified wool

Status : 61%

10

Goal : Elimination of fluorocarbons from our products

Status : 97%

11

Goal : Repairs of old Norrøna products

Status : 100%

Goal for coming years

1

% of Norrøna employees commuting environmentally friendly (min. 75% of the time): 100%

2

1% for nature

3

Recycle all waste produced at Norrøna HQ by 2020: 100%

4

Less than 1% air freight

5

3rd party audit of all factories according to social and environmental standards: 100%

6

Open factory list: 100%

7

% of cotton products being made by certified organic cotton or reprocessed cotton: 100%

8

Polyester fabrics used will be made with a minimum of 50% recycled fibres: 100%

9

Other synthetic fabrics being made with a minimum of 50% recycled fibres: 100%

10

Use of fabrics that can be verified by 3rd party : 100%

11

Exclusive use of RDS down: 100%

12

Exclusive use of traceable or reprocessed wool: 100%

13

Norrøna only wants to use Responsible Wool Standard (RWS) certified wool or 3rd party verified to a more robust standard: 100%

14

Elimination of fluorocarbons from our products: 100%

15

Repairs of old Norrøna products: over 10.000/year



1

Governance and commitment to responsible business conduct

Commitment to sustainability means that the business should have relevant policies and codes of conducts in place, as well as effective management systems for implementing them. Central to this is the company's work with due diligence. This means, among other things, the business need strategies and action plans for how the company identifies and manages its risk of negative impact on people, society and the environment, including through business relationships and in the supply chain. Systematic management of such risks will strengthen the company's contribution to the Sustainable Development Goals. Strong commitment from top-management, and clear division of the responsibility for conducting due diligence is key. Those involved need to know how to proceed. Sustainability should be an integral part of business operations. Essential to this is transparency on the company's commitments, challenges faced and measures undertaken to manage those challenges.

1.A Policy commitment

1.A.1 What does the company say publicly about its commitment to respect people, society and the environment?

Norrøna takes the responsibility of improving the circumstances for nature and people very seriously. Norrøna's heart lies in the nature! As we say in our webpage (<https://www.norrøna.com/en-GB/about-norrøna/responsibility/>): Without nature, there's no us. We believe the only way to run a company is with a sustainable platform and every day we strive to improve, explore and inspire to protect our home. On our webpage we share our roadmap and goals, our environmental mission, membership and certification we have committed to, what kind of materials we choose to use and why, animal welfare, Norrøna donating 1% of our yearly revenue to good causes. We also take the corporate responsibility regarding our suppliers very seriously. All our suppliers and factories are carefully chosen.

1.A.2 How is the commitment/policy developed and how is it anchored in the company?

Corporate Responsibility is one of the foundations in our 2020 strategy and we are developing it further in our 2029 Roadmap. In developing our 2020 strategy the importance and impact of ethical trade and sustainability has been a important part of the discussions and planning. Our CSR roadmap was published in December 2015, and through them we show a clear commitment to a sustainable and responsible approach to business. We report on our progress related to these goals on a yearly basis, and thus promote complete transparency. CSR is a regular agenda topic at the board meetings, management meetings and information meetings, and responsibility for this is clearly defined with the CEO.

During 2014 Norrøna implemented incentives/bonuses for improving sustainability and ethical trade initiatives of our staff. We have linked these goals to both the Company and individually KPIs. Where applicable ethical trade/sustainability indicators are evaluated as part of this.

1.B Organisation and internal communication

1.B.1 How is the work with responsible business conduct organised within the company and why in this particular way?

The work for social and environmental issues within Norrøna are integrated within the overall job description of specific roles. The company decided instead of having a separate watchdog department concentrating specifically on social and environmental issues, every member of the company must be responsible and measured on their part within the framework of their specific tasks. The overall strategy for social and environmental responsibility sits within the Director of Innovation & Sustainability. The Operating Officer is responsible for HR on a corporate level and is responsible for all aspects of social and environmental performance within Norrøna's headquarters. The Director of Marketing is responsible for all aspects of social and environmental communications both internally and externally. Operationally the Director of Supply Chain is responsible for all logistics activities, including Warehouse and transportation, being as sustainable and socially responsible as possible. The Director of RD&D is responsible for workers being paid a living wage, all social and environmental issues within the facilities of our supply chain, and the development of more environmentally friendly products inclusive of materials. The CEO has overall responsibility that all aspects of our responsibility strategy are implemented. In order to maintain visibility, social and environmental requirements and goals are broken down into KPI's which individual members of each department's team are responsible for. These KPI's are measurable and are part of the bi-annual review process. Together, all KPI's make up our annual plan to hit or exceed our social and environmental targets.

We do it in this way both to engage all members of the company in continuously improving performance towards better social and environmental actions and to be more effective as a small/medium sized enterprise.

1.B.2 How are employees made aware of the ways in which responsible business conduct should inform their decisions and actions?

Job description/contract, KPI and information meetings, company strategies

1.B.3 How does the company make sure employees have adequate competencies to work towards implementing responsible business conduct?

Training at onboarding new hiring, learn by doing, 1on1 conversations with employers and managers monthly.

1.C. Plans and resources

1.C.1 How is the company's commitment to respect people, society and the environment rooted in strategies and action plans?

Link to Norrøna's commitment and responsibility:

<https://www.norrøna.com/en-GB/about-norrøna/responsibility/>

Environmental strategy regarding choice of fabrics:

100% of cotton is organic (GOTS)

98% of our wool is traceable

100% of our down is RDS certified

69% of synthetics are PFC-free

96% of materials are certified (bluesign or similar)

71% of the polyester we use is recycled

64% of the other synthetics are recycled (mainly polyamide)

Furthermore, we work with experienced and responsible suppliers (e.g. W.L. Gore, Polartec, Primaloft, etc.) that have high demands to responsibility and sustainability in their own supply chain.

As mentioned, all factories are screened and inspected, and a sound approach to sustainability and a responsible and fair treatment of workers (through practices, policies and initiatives) will weigh heavily in favor for that manufacturer in our screening.

Norrøna work continuously to improve our purchasing practices, important elements of this are overtime and stable workplaces at our suppliers, this we try to target with better planning.

Project on implementing HIGGs index improving social and environmental aspects for the company and business partners, suppliers and the products.

1.C.2 How is the company's strategies and action plans to work towards being responsible and sustainable followed up in top management and in the board?

Norrøna 2029 goals are approved by top management and the board. Annually roadmaps results are followed up every year.

Project on implementing HIGGs index improving social and environmental aspects for the company and business partners, suppliers and the products.

1.D Partnerships and collaboration with business associates, such as suppliers

1.D.1 How does the company make clear in its business relationships (in particular in the supply chain) the importance it places on responsible business conduct?

All our partners are thoroughly screened before we start any business. We follow a process when sourcing, screening, building business relationships and maintaining the relationship. Areas of screening is observation of factory/vendor, answering our Self Assessment Questionnaire, all our business partners must sign our Code of Conduct. We check technical requirements such as GOTS, RDS, RWS, Oeko- tex certificates. Logistics requirements, finance requirements and Ethical standards and requirements. We do a full Audit by 3rd party before starting any business with new factories. This relationship we maintain by follow up annually with business plans and progresses, equally advantageous for all parts.

Indicator

Percentage of suppliers that have accepted guidelines for suppliers



We coordinate information through an annual supplier survey which provides the acceptance of code of conduct and other good business practises.

1.E Lessons learned and changes

1.E.1 What lessons has the company learned during the reporting period concerning sustainability, and what has changed as a result?

Norrøna recognizes and communicates the need for collaboration between brands (and other members of the value chain) in order to make a positive change within the textile industry. As a smaller brand, we believe the best way to create radical change towards good within the textile industry is to be transparent, show progress and engage and challenge large brands in the places we collaborate. Therefore we actively participate in many collaborations such as Textile Exchange, SAC (HIGGS), STICA (Swedish Textile Initiative for Climate Action), and Fashion for Good.

We share our experiences working with sustainability and especially sustainable materials so others can learn from both our successes and our failures.. For us as a responsible outdoor brand it is critical to have 3rd party verifications for all our materials such as RWS, RDS, Bluesign, ökotex etc. to prove the extra money we are spending are going towards positive change.

A man with a slight smile, wearing a white hairnet and a dark blue long-sleeved shirt, is looking towards the camera. He is in a factory or industrial setting, with blurred machinery and structures in the background. The lighting is soft, highlighting his face.

2

Defining the focus for reporting

Identify and assess the company's impact on people, society and environment

“Identify and assess” is about identifying the company's risk for, and actual negative impact on, people, society and the environment, including in the supply chain and through business relations. As a first step the company should get an overall risk picture, before subsequently prioritising measures where the risk of negative impact is the greatest, i.e. salient issues. How the company is involved in the negative impact is central to determine the right actions to take. Involvement of stakeholders, especially those affected, is central when assessing risks. It is also important to consult with stakeholders when implementing measures to manage the negative impact.

2.A Mapping and prioritising

STATEMENT ON SALIENT ISSUES

Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.

2.A.1 In the table below state the salient issues associated with the company's activities and business relationships, particularly in the supply chain and during the reporting period

Salient issue	Related topic	Geography
Overtime in factories	Working hours	China Vietnam
In China it is a bit difficult to control how the freedom actually are regarding trade unions and collective bargaining.	Freedom of association and collective bargaining	China

A general finding we see recorded after 3rd party audits is overtime hours and inconsistency in factory records regarding overtime. It is important to influence our factories to keep overtime in legal forms. Together with factories we plan production to be as flatten as possible. We also place orders divided on all our factories to fill capacities. Long time forecasts, planning and ordering secure running business for all parts.

Even though all our factories in China follow the law and have trade unions and collective bargaining, it is hard to be sure how free this actually is for the workers and how the practice of unions in factories are. By audits workers are anonymously selected to speak freely of the situation at factories, but often auditors feel they are already been instructed to give equal answers. This we only see occurs at some China factories.

In Taiwan we have got feedback that foreigners coming to work in Taiwan have had trouble getting passports back when they want to leave their work and go back to their countries. This might regards some of our material supplies.

DETERMINATION OF SALIENT ISSUES

2.A.2 Describe how the salient issues were determined, in terms of processes and sources of information, including any input from stakeholders

Norrøna audits our factories every 3rd year. Our chosen audit collaboration is ELEVATE. All factories are screened and audited before starting any business. We detect vulnerabilities and issues by auditing. A common salient issue among our suppliers is overtime (as mentioned in 2.A.1) After auditing factories we approach the findings, and together with factories we make a plan for time frame and approach of what should be done to improve the findings. Regarding overtime, we help factories to plan production with long time forecasts. We have assessed various information including the risk of not having a robust Freedom of association and collective bargaining guarantee in China through seminars/webinars, lead by Etisk Handel Norge, SAC, and others.

Forced labor in Taiwan (passports held back from foreign workers) detected through other brands and organizations are discussed and we are investing internal resources to ensure they are not part of our future material development. Outdoor Industry Association has discussed this, and we work together with other brands to make sure we all ask the same questions. Through this process we have seen a phasing out of this cultural practice.

ADDITIONAL SEVERE IMPACTS

2.A.3 Identify any severe impacts on people, society and the environment that occurred or were still being addressed during the reporting period, but which fall outside of the salient issues, and explain how they have been addressed.

Overtime is the most common and challenging issue to control in Norrøna's opinion. All of our factories that produce for us in 2019 also produce for other companies. We cannot control how other parties affect our producers and their workload, but we try to provide information long before the production time so the factory can properly plan capacity.

Control of Micro plastic and carbon footprint impacts in production and by using our products is not possible to do 100%. We are testing, filters, use Biodegradable additives and looking at fabric constructions to improve the issue.

A woman in a blue surgical cap and gown, looking down, in a hospital setting. The background is blurred, showing other people in similar attire and bright overhead lights.

3

Management of salient issues

Cease, prevent or mitigate negative impacts

“Cease, prevent and mitigate” is about managing findings in a way that contributes to a sustainable and responsible business conduct. The most severe negative impact on people, society and the environment should be prioritised first. This does not mean that other risks are less important or that they are not handled. The way the company is involved in the negative impact is central to taking the right action. Negative impact that the company causes or contributes to must cease, and the business must work to prevent and mitigate such risk. To address negative impact directly linked to the company, e.g. in the supply chain, the business must use its leverage to influence the entity causing the adverse impact to cease, prevent or mitigate it. This involves developing and implementing plans and routines to manage risk and may require changes to the company's policy documents and management systems. Effective management of the negative impact on people, society and the environment is a major contribution to the achievement of the SDGs.

3. A Cease, prevent or mitigate

3.A.1 For each salient issue in your supply chain, add a goal, status and describe specific actions and progress made in the reporting year

Salient issue	Overtime in factories
Goal :	Reduce overtime at our factories to get within the legal requirements
Status :	Most of our factories have periods with overtime. All our factories report that they will do their best to improve the production plan and reduce the need of overtime.
Objectives in reporting year :	Continue with good and correct information regarding production planning and order placements.

Actions :

We give long term planning of styles, materials and quantities. So it is easier for factories to book capacity and workload a long time in advance. We also work together with our factories to develop a plan where as much capacity as possible is moved to the low season.

Salient issue	In China it is a bit difficult to control how the freedom actually are regarding trade unions and collective bargaining.
Goal :	Through collaboration with SAC utilizing the Higg FEM and now the FSLM we work together our factories to be more open and transparent.
Status :	We have started to get our suppliers to register in the FEM registration.
Objectives in reporting year :	We see that we need help and collaboration with others to improve and detect the landscape in China regarding freedom of associations.

Actions :

We encourage all our suppliers to register and follow up using the Higg FEM Verifier & trainer program and begin to use the FSLM as well. This will help us in the long run manage improvements that protect the well-being of factory workers, local communities, and the environment without undue repetition and expenses to the factories.

Other actions related to management of negative impact:

Describe general actions to cease, prevent or mitigate negative impacts, including in your supply chain

3.B.1 Reduction of environmental and climate footprint

We are currently members of SAC and are in beta testing the the BRM, MSI and product modules. We are also beginning to work with our raw material suppliers and factories on implementation of the SLFM and FEM. We also track our fiber use through the Textile Exchange Corporate Fiber & Material Benchmarking. In addition we have measured out Scope 1 and 2 greenhouse gas emissions and will work on our scope 3 emissions as a member of the Swedish Textile Initiative for Climate Action. We also follow the corporate roadmap requiring 100% of our materials being 3rd party verified with partners such as Bluesign to ensure chemical compliance, good water and air protection.

3.B.2 Adapting own purchasing practices (sourcing)

Norrøna uses a transparent cost model with our suppliers which clearly defines prices ranges by product category, by construction types, by technical requirements, by volume and by production plan dates. Costing or pricing is based on market analysis of costs per region and as we have partner relationships dating back 10 years we are able to closely monitor labour costs, overheads, and agree on profit levels for the factory that are fair. This means that our incumbent suppliers are not disadvantaged by *new businesses* approaching us and offering strategically low pricing .

We honour our commitment to provide accurate information about style construction and materials, so if we identify errors that are outside the factories control we do not hold the factory responsible for achieving a delivery on-time. We discuss together and agree on how to re-schedule based on their capability and respecting that we are not the only customer that they are supplying to.

Financially, we have agreed payment terms with all factories and these are specific to the well being of each of these factories and their workers. We regularly have discussions on a top to top level relating to how they are managing in terms of financing the business. When we feel it is necessary, we have offered financial assistance or a change in payment terms. (for example, Bridging finance when other large customers have defaulted on payments) and offered 3 different business models for the factory to choose from.

3.B.3 Choice of product design and of raw materials

Norrøna uses fabrics that meet high environmental and social welfare standards and that can be verified by 3rd parties (bluesign®, GOTS, Control Union, RDS, RWS, Oeko-tex®. We design for long term durability. We refer to our targets on certified fibers:

100% of cotton is organic (GOTS)

100% of our wool is traceable

100% of our down is RDS certified

72% of synthetics are PFC-free

99% of materials are 3rd party certified (bluesign or similar)

80% of the polyester we use is recycled

84% of the other synthetics are recycled (mainly polyamide)

3.B.4 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation.

Apart from audits, quality inspections and visits to factories no actions have been taken in 2019.

3.B.5 Contribute to development, capacity building and training of suppliers and workers in the supply chain:

We strive to work with reputable suppliers through intensive investigation before starting business with new factories/suppliers. We produce high end technical products that require highly skilled people. Because of this factories we produce in have to offer good agreements and conditions to keep skilled workers.

3.B.6 Other plans and measures taken to deal with salient issue

Norrøna had goals in place since 2014 in relation to production produced during low season. The goal for 2019 was 15% (a further increase of 5% YoY). The ambition is to produce a certain percentage of goods outside the peak season to reduce the pressure on the factories, and provide predictability to factories and their workers.



4

Track implementation and results

Tracking implementation of actions and results is key to the company's due diligence process. For example, is the identifying and prioritisation of salient issues done in a scientifically sound and credible way? Does it reflect real conditions in the supply chain? Do measures aimed at ceasing, preventing and reducing the company's negative impact work as intended? Is negative impact remediated where relevant? This may apply to actions taken by the company alone or carried out in collaboration with others. Companies must have procedures and systems to track their implementation and results in order to assess them. The company's experience with due diligence is used to improve processes and results in the future.

4.A Monitoring and assessment

4.A.1 Describe responsibilities and procedures within the company for tracking performance with respect to due diligence activities

Activities and performance on social issues are tracked through 3rd party collaboration (ELEVATE) and followed up by CSR responsible at Norrøna. Through annual audits and follow up audits of our factories every 3rd year we keep record of issues and action plans regarding findings and issues regarding human right and due diligence activities. CSR responsible detect scale of issues and make a plan of how to improve at factories, time frame and seriousness of issues. This is a running process all through the year.

4.A.2 Describe how the company evaluates the effect of its own efforts, or those made by suppliers (and other business relations), to identify, prevent and mitigate salient issues

We work in close collaboration with different partners in order to maintain scientific goals. ex of this are corporate fiber and fabric benchmark through Textile Exchange, greenhouse gas emissions, through The Swedish Textile Initiative for Climate Action, and material life cycle assessment using the HIGG MSI.

Through our follow up audits we in addition to our own internal follow up at our factories, we are able to identify and prevent repeat of weaknesses and to check that actual improvements have been done at factories.

A woman with dark hair tied back, wearing a light blue button-down shirt and a brown leather apron, is looking down at a large, round, metal tray with several circular indentations. The background is a blurred kitchen or industrial setting.

5

Communicate how impacts are addressed

Relevant external communication on company due diligence for responsible business conduct needs to build on specific activities and results. This include external communication of policies and codes of conduct, or processes and activities related to identifying and managing the company's actual and potential negative impact on people, society and the environment. Communication should also include findings, effects and results of concrete actions or activities.

5.A External communication

5.A.1 Describe how the company communicates with affected stakeholders when managing its salient issues

Norrøna logs salient issues through 3rd party audits. Findings affect the factory workers. Norrøna is obligated to do our best to secure the safety of the factory workers. Workers are included anonymously in the audit check, in groups and separately .

5.A.2 Describe how the company communicates publicly about its own work on identifying and management of salient issues

Publicly we communicate through our webpage and in social media about concrete tasks we do to improve our impact on the environment.

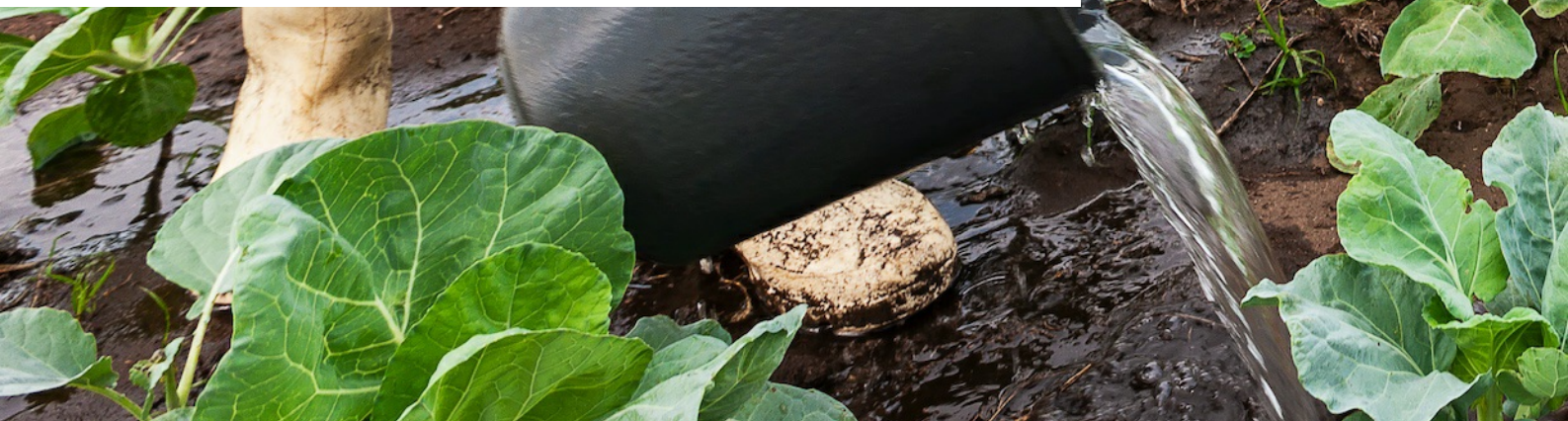
To reduce our footprint and the industry's impact on the environment Norrøna chose to work with specific initiatives, vendors and standards.



6

Provide for or cooperate to ensure remediation when appropriate

Once a company has identified that it has caused or contributed to negative impact on people, society or the environment, the company must provide for, or cooperate to ensure remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. When appropriate, companies should provide for or cooperate with legitimate remediation mechanisms through which impacted stakeholders and rights holders can raise complaints.



6.A Remediation

6.A.1 Describe the company's policy for remediation of negative impacts on people, society and the environment

We have processes and plans on what we will do if anything occurs to people, society and environment.

Key steps:

- * Internal audit: Self-Assessment Questionnaire (SAQ). Based on our Code of Conduct, and indirectly on legislation, ILO conventions and UN Human Rights.

- * Categories: General, social control, management systems, employment, worker's organisation and bargaining, young employees, opportunities, disciplinary procedures, health and safety, wages, working hours, environment

- * External audit: CSR Audit/inspection. Done by independent 3rd party experts (necessary to understand language and local law)

- * Audit follow-up, Managed by CSR Responsible. The audit finding are analyzed, and the findings classified according to risk and urgency, to ensure the correct focus and priorities in the follow-up for improvements, to ensure compliance with Norrøna's acceptable risk levels. The classification of findings will then dictate the required action, time frame, and responsible resource. If the number of findings or the nature of findings comes in above the acceptable risk levels, the case will be flagged to the management group for decision for further action. Responsibility for planning the operational improvement process and implement the follow-up plan, lies within Supply Chain.

6.A.2 Describe cases of remediation in reporting year, if relevant

Through assessment and high demands on suppliers regarding both social and environmental performance it is our strategy to avoid serious issues which requires remediation. No cases of remediation occurred this year.

6.B Secure access to grievance mechanisms

6.B.1 Describe what the company does do to ensure that workers and communities have access to effective remediation mechanisms, when appropriate:

We only control this through our audits, this is one of the checkpoints.

Contact details:

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