



Report on

Responsible Business Conduct 2019

for Bergans Fritid 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

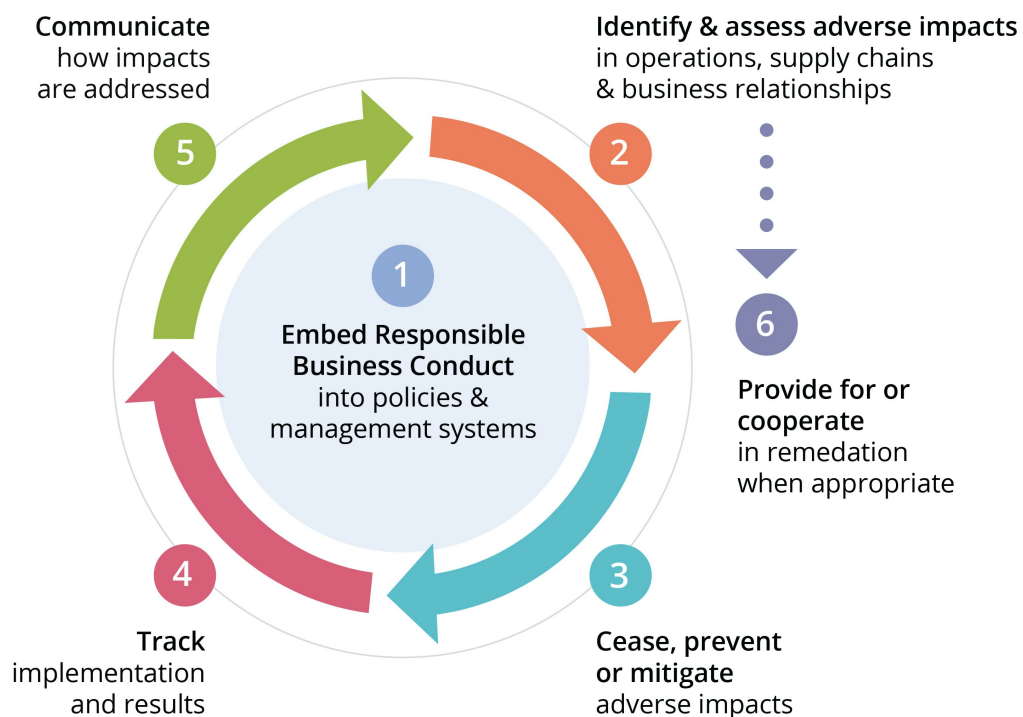
Executive Director

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

Our vision is to lead and inspire towards a sustainable future. With nature as our playground we have a responsibility to protect our resources and those of future generations. As part of the global textile industry we bear a social responsibility for all workers in our supply chain. Our membership at Ethical Trade Norway is crucial for taking on the complex realities of ethical trade. We benefit greatly from supportive tools, expert advice and valuable initiatives.

In the past year we have worked thoroughly on finalizing and implementing a new strategy following our previous "Expeditions 2020". This will provide us with more measurable targets and taking our initiatives further in the coming years. We are ready to start working with this new strategy – Expedition 2030. Our aim is to make significant changes, by collaborating with our supply chain, partners and our customers.

We continue consolidation within our supply chain. Focusing on long term relationships helps to build resilient value chains with decent working conditions for all co-workers involved. Projects like Quizrr focusing on workers education and engagement help to improve working conditions on site and is an example on how cooperation and common projects can facilitate improvements.

We have engaged in the discussion on a proposed Norwegian Law on Ethics information and are positive towards more transparency in global trade and value chains. We believe that openness and more collaboration is key to push businesses towards more ethical trade practices and more sustainable operations.

We report to the Sustainable Apparel Coalition's Higg Index, which we believe will play a central role in measuring and benchmarking our suppliers as well as our own achievements on sustainability and social & labour practices.

Climate Change is one of our biggest threats. We are part of the Scandinavian network Swedish Textile Initiative on Climate Action (STICA) to better collaborate within the industry. We buy renewable energy for our own operations and have compensated climate emissions which occurred during production of our new Rabot Collection. We have continued to increase our share of recycled materials, use less harmful dyeing techniques as well as collaborated on the development of a more sustainable textile fiber based on wood.

We continue moving our business model towards a circular economy – with services like repair and rental, product return and re-sales as well as redesign. Extending the life span of our products has the biggest benefit for lowering their environmental impact.

Sustainability issues are no longer a trend topic but has become an integrated part of business. Demand from consumers, retailers as well as governments, media, NGOs and co-workers are rising, and increased transparency and digitalization creates more possibilities to gain insight for all stakeholders.

This gives us motivation to increase our efforts. Our products are our value carriers – enabling people to enjoy the outdoors and providing thousands of jobs. High environmental and ethical standards, together with good quality are key factors for sustainable success.

Believe in tomorrow – explore today

" Sustainability issues are no longer a trend topic but has become an integrated part of business. "



Jan Tore Jensen
Chief Executive Officer

Company information and business context

Key company information

Company name

Bergans Fritid AS

Head office address

Loe Bruk 9, 3300 Hokksund

Main brands, products and services offered by the company

Bergans of Norway: outdoor, ski and lifestyle apparel and equipment (backpacks, sleeping bags, tents, Ally canoes). We offer product services such as repair, rental, reuse and redesign.

Description of company structure

The company headquarter is located in Hokksund, Norway. Our departments Product development & design, Purchase, PR & Marketing, Sustainability, Sales, Retail, E-commerce, Customer service, Administration, Accounting, IT and our in-house Repair service are all situated here. In our home market Norway we sell through retailers, but also operate several stores and our own e-commerce (B2C). In all other markets we only sell through retailers. The central warehouse is located in Norderstedt / Germany, where also Sales and Marketing for the European market is located.

Two employees work from our office in Hong Kong to maintain direct contact to all our suppliers. All product design, development and purchasing is done from Norway. The company is privately owned.

Turnover in reporting year (NOK)

540 000 000

Number of employees

157

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

No major changes in the company structure in 2019

Contact person for the report (name and title)

Yngvill Ofstad (Sustainability) / Christoph Centmayer (Sustainability)

Email for contact person for the report

yngvill.ofstad@bergans.no / christoph.centmayer@bergans.no

Supply chain information

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

Bergans does not own any own production facilities, but buys directly from 34 different product manufacturing companies (tier 1). Normally no agents are used. We design and develop all our products on our own, thus we do not order ready-made products. More or less all materials used are nominated from our side and we do maintain direct relationships to around 100 fabric and trim suppliers (tier 2), although our product manufacturers buy these materials from them. The textile supply chain is complex and many parties are involved. To have direct contact with both tier 1 and tier 2 is a strength in our supply chain set-up, when it comes to both quality and sustainability.

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

134

Comments to number of suppliers

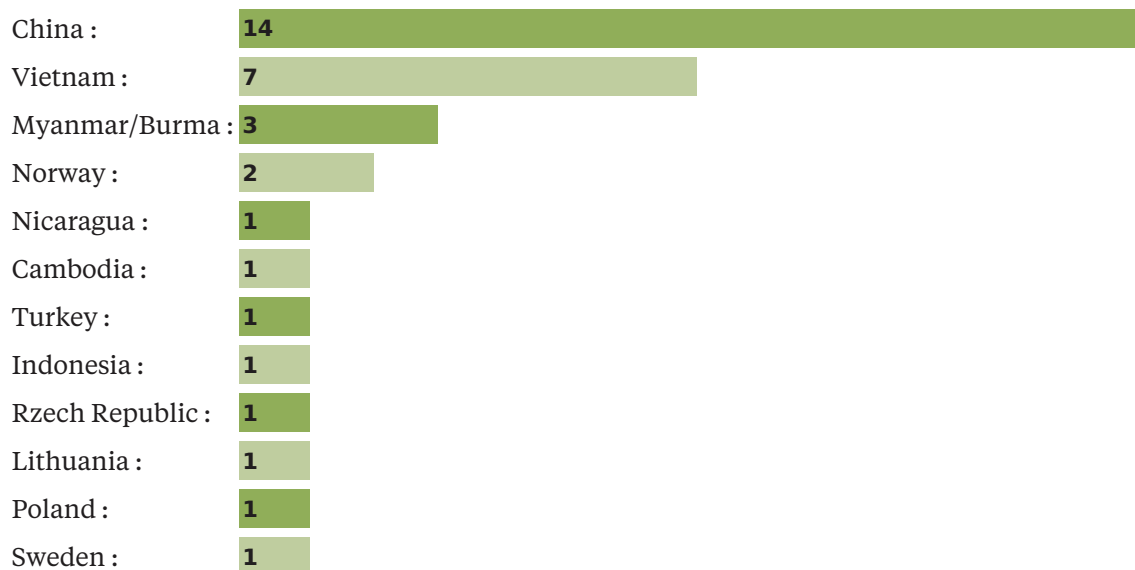
The number above includes both tier 1 (34 product manufacturers) and tier 2 (ca 100 fabric and trim suppliers)

Approximate ratio by sourcing options



Only a very small amount (0,22 %) of our purchase volume is bought through 1 agent. We have inspected the factory used by the agent.

List of first tier suppliers (producers) by country



The biggest share of our purchase volume is produced at our main partners facilities in China, Vietnam (mostly hardware) and Myanmar.

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

32 500

Number of suppliers

32

Comments to number of workers

The number above is the total number of workers employed at our manufacturers factories. Not necessarily all of them are involved in the production of Bergans products. The number of workers is an estimate based on reported numbers from our suppliers.

Key inputs/raw materials and associated geographies

Polyester	China Japan Taiwan
Polyester (Recycled)	China Taiwan
Polyamide	China Japan Taiwan
Polyamide (Recycled)	China Japan Taiwan
Wool	Australia South Africa Norway
Recycled Wool	Italy
Cotton (organic)	China
Down (RDS certified)	China
Down (Recycled)	France
Cellulose (Spinnova, Tencel)	Finland

The list above describes the last production facilities of our fabric suppliers (tier 2), except of natural materials like wool where the country of origin of the raw material is stated

Is the company a supplier to the public sector?

No

Goals and progress

Goals and progress for the reporting year

1

Goal : More Sustainable Products: We will source and develop more sustainable materials, secure responsible handling of natural resources, animal welfare and innovation in our design processes.

Status : We have increased our use of recycled materials and started to implement certified wool and continue to use only certified or recycled down. We have increased the use of bluesign materials and continue phasing out fluorocarbons. We have participated in microfiber research programs and in a European initiative on packaging and single-use plastics.

2

Goal : Sustainable and Fair Value Chain: We will protect the environment and secure human and labour rights throughout our supply chain. We will contribute to a positive development for communities where we operate.

Status : We have maintained transparency and good supplier relationships with regular visits. We have been working with social and labour improvements through a project called QuizRR. We have joined a climate network for mapping and reducing climate emissions. We have climate compensated one of our collections and used water- and chemical-saving SpinDye technology on one collection.

3

Goal : Sustainable Consumption: Long live the product – we will take the lead on circular economy by collaborating with our customers through services such as repair, rental, reuse and redesign.

Status : We have contributed actively to the transformation to a more circular economy. We have strengthened our circular services like repair, rental, reuse and redesign, also together with external partners.

4

Goal : Sustainable Outdoors: We will inspire and enable sustainable and healthy outdoor experiences through partnering with people and communities influenced by our business.

Status : We offer sustainable outdoor activities through Bergans Adventures. We collaborate actively with partners like DNT in Norway and Friluftsrådet in Sweden. We contribute to nature conservation through active membership in eoca (European Outdoor Conservation Association). We contribute to health and education in other communities through supporting Mountain People and the iCare program.

Goal for coming years

1

More sustainable products: continue focusing on long lasting products and make use of more sustainable materials and production methods, phase out more fluorocarbons; switch to more recycled materials for packaging.

2

Sustainable and Fair Value Chain: further develop our supplier relations and update our due diligence procedures; continue working with Quizrr; getting more supplier on the Higg Index; mapping our climate emissions and collaborate with supply chain partners on reducing them.

3

Sustainable Consumption: Lead the transformation to a circular economy and further change consumer habits. Further expand and develop our circular services and collaborate with more external partners.

4

Sustainable Outdoors: continue our collaboration on outdoor activities with DNT and Friluftsrådet, as well as EOCA on nature conservation. Partnership with WWF, amongst others to include the 4 seasons on the World Heritage List.



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?

Bergans aims to have a sustainable business practice that respects people, society and the environment. Our policy on sustainable business practices, together with our Code of Conduct for suppliers, forms the basis for our work with our value chain.

Bergans considers sustainable business practice as a prerequisite for sustainable development. Thus means that today's generations can meet their needs without compromising the needs of future generations. Bergans' vision is to "lead and inspire towards a sustainable future". Bergans works actively with the UN Sustainable Development Goals. In particular, we see SDG number 8 (decent work and economic growth), 12 (responsible consumption and production), 13 (climate action) and 17 (partnership for the goals) as essential to our work.

<https://www.bergans.com/en/sustainability/value-chain>

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

We have updated our existing "Sourcing and Production policy" from 2015. We have further developed this document, and adjusted with support from our advisors in Ethical Trade Norway. The new name of the policy is "Policy for Sustainable Business Practice". This has been approved by the board, and will be published on our website shortly.

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?

Sustainability is at the top of our business strategy for our company. Our company vision is to "Lead and inspire towards a sustainable future" and our company values are "Authentic, Responsible and Passionate Explorers".

Our CEO and our board are the main responsible for sustainability in our company. We have two Sustainability officers in Bergans, working as expert advisors on sustainability. We regard sustainability as a way of working rather than as a specific function. Therefore we work to integrate different sustainability issues in relevant departments and create ownership. It is our goal that all co-workers contribute and feel part of our sustainability agenda.

Our sustainability work is rooted in our sustainability strategy; "Expedition 2030", with four focus areas: More sustainable products, More sustainable and fair value chain, More sustainable consumption and More sustainable outdoors. All departments have been part of the development of the strategy and have ownership to the different parts and goals in the strategy.

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

As a company developing products to be used outdoors, our co-workers spend a great deal of time outside in the nature. All co-workers are a member of the Norwegian Tourist Association (DNT) and all new co-workers must complete a two-day Tour guide course when they join Bergans. We arrange work meetings and co-worker trips in the mountains and in the woods and celebrate both summer and winter parties outside. People who spend time in nature, tend to care more about nature. This is core to Bergans.

Internal communication and collaboration are key in order to engage and involve all co-workers in our sustainability agenda. All new co-workers receive an hour of sustainability training, including both environmental and social issues, run by the Sustainability department. We regularly inform everyone about new sustainability topics and actions through our internal social media platform and during common co-worker meetings. In 2019 we also have carried out a three week long internal sustainability competition to create more engagement.

The sustainability co-workers have regularly meetings with all departments and are involved in all projects concerning sustainability development. We strive to have a cross-functional way of working in all our sustainability efforts. For example, working with improvements in our supply chain involves both the Purchase department, the Product department, the Sustainability officers and occasionally the Management team.

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

To ensure sufficient knowledge and competence on due diligence work in our supply chain, our Sustainability officers have a good and close dialogue with Ethical Trade Norway. They participate in meetings and trainings, both physical and online. These learnings are brought forward to relevant co-workers in our organisation. We also stay updated by following relevant newsletters and online channels.

Bergans also participates in several collaboration efforts in both the textile and outdoor industry, such as Bluesign, the Higg Index, Kjemikaliegruppen, The Swedish Initiative on Climate Action, the Scandinavian Outdoor Group, the European Outdoor Group and Tekstilaksjonen. Due diligence and other supply chain issues are now emerging as important collaborative subjects in these fora, in addition to the environmental topics.

In addition, we rely on several well experienced co-workers working in our own Product and Purchase departments, and at our Hong Kong Office. They have been working close together with our suppliers for many years, they visit them often and know them well. They also have experience in how to evaluate potential new suppliers when it comes to diverse sustainability issues. New suppliers are always evaluated by our Sustainability Officers as well.

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?

Sustainability is at the top of our business strategy for our company. Our company vision is to "Lead and inspire towards a sustainable future" and our company values are "Authentic, Responsible and Passionate Explorers". Our main sustainability goals are part of our business strategy.

Our sustainability work is rooted in our sustainability strategy; "Expedition 2030", with four focus areas: More sustainable products, More sustainable and fair value chain, More sustainable consumption and More sustainable outdoors. All departments have been part of the development of the strategy and have ownership to the different parts and goals in the strategy.

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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?

Sustainability is core of our business strategy and therefore a focus topic in all board and management team meetings. The milestones in our business strategy work as guidelines for all operations and the daily work in our company. All reporting and evaluation is made on the basis of our sustainability goals.

The Sustainability strategy, supplier documents such as the Code of Conduct and Company policies are discussed and approved by both the Management team and the Board. Relevant sustainability topics are regularly discussed in the Management team. The Brand Director, as the leader of the company's Sustainability team, is part of board meeting to report directly all issues related to this field.

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 suppliers, both in tier 1 and tier 2, have read and signed our Code of Conduct, and completed our supplier documents such as the Factory Profile and the Sustainability self-assessment Questionnaire. All suppliers resigned and re-completed all these documents in 2018, when the documents were upgraded.

All suppliers must also read, understand and sign our Restricted Substance List (RSL) and Chemical Compliance document every year. All tier 1 suppliers receive regular visits from Bergans, both from our Product and Purchase co-workers and from our Quality- and Compliance officers in Hong Kong. The latter completes sustainability reviews when visiting the factories. We have also invited our suppliers in China to join the QuizRr training in order to enhance the importance of social dialogue in the workplace.

In addition, we have started a good dialogue with our retail partners on important sustainability issues.

Indicator

Percentage of suppliers that have accepted guidelines for suppliers



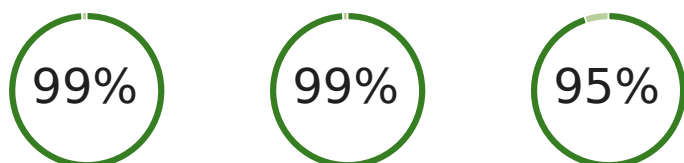
2019

2018

2017

All new suppliers have to read, understand and sign our Code of Conduct before entering any business relations

Percentage of suppliers with whom we have had a business relationship for more than three years



2019

2018

2017

We always aim for long term relationships with our suppliers.

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?

This year we have focused on developing and promoting our circular services, mapping our climate emissions and looking into climate compensation, started a collaboration on development of new fibres made out of Scandinavian wood (Spinnova), we have implemented new systems for supplier information (PLM) and we have started a program on social dialogue with our suppliers (QuizRR). We have also given input on sustainability challenges to politicians (mostly regarding circular economy) and we have participated in the discussion on the proposed new Law on transparency in the supply chain.

Our main take-away this year is maybe that the challenges we face, referring both to the planet and to our industry, is that collaboration is needed. The challenges are way to big for one company to solve alone, and we all need to realize that sustainability is not to be treated as a competitive advantage (although we do believe that companies that do not take this issue seriously will forfeit). Competitors within the industry needs to cooperate with each other – through diverse initiatives and projects such as Ethical Trade Norway, the Sustainable Apparel Coalition, STICA or the Scandinavian Outdoor Group. And we need to collaborate even more with our suppliers, our customers, NGOs, the authorities and research institutions.

We have followed the debate about corporate communication on sustainability, and the Consumer authority's actions against this. We support actions against false and undocumented claims of sustainability. At the same time, many companies have been reluctant to communicate their sustainability actions, out of fear of being accused of green washing. We believe that too strict supervision will reinforce this fear. It is important that companies who work actively and credibly with sustainability communicate what they have achieved. This will inspire others to get started or work even harder - and constantly enhance the standard for what consumers can expect from us. It will move us all forward.

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
Workers rights	Freedom of association and collective bargaining Occupational Health and safety Wages Working hours	China Indonesia Myanmar/Burma Nicaragua Turkey Vietnam
Environmental impact	Environment Emission Greenhouse gas emission Energy Water	Global
Chemical management	Occupational Health and safety Environment Emission Water Use of materials	Global
Migrant workers / refugees	Forced labour Wages Working hours Regular employment	Turkey

We prioritize workers rights for our tier1 suppliers (labour intensive), while environmental impact and chemical handling is our focus for tier 2 suppliers (fabric production, less labour intensive). Risks regarding workers rights differ somewhat between the different production countries (tier 1).

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

When rating the risks of a supplier we always take into consideration known facts about the country of operations. These facts we gather from Ethical Trade Norway, industry forums (such as the European Outdoor Group) and other relevant information sites, e.g. Fair Wear Foundation (FWF), Transparency International, International Trade Union Confederation (ITUC), US State Department country reports and others. Cooperation in our industry is key. We aim to increase the dialogue with our partners and also with our competitors in the textile and outdoor industry, in order to create improvements in our supply chain.

We perform risk assessment on all 1st tier suppliers. We create risk profiles for suppliers where country of production and type of production is categorized as medium to high risk. We base our priority for our own on-site control on the following criteria:

country of production, product type, production volume, scores on previous inspections, quality issues, years of cooperation and general impression of cooperation and communication.

We have developed a scorecard for all our tier1-suppliers which includes both quality standard and business practices as well as factors based on our screening of environmental and social conditions and the results of our own inspections on site.

The main documents are the Self-Assessment Questionnaire (SAQ) and the Factory Profile which are based on IEH's recommendations. Then we factor in information gathered through our own on-site visits and interviews with suppliers, other audit reports, third-party certifications and other external sources of information about the supplier or the area of production.

We have started to use our new supplier information system (PLM) which helps us to map our supplier base and to have a better overview on all information, documents, permits etc

Indicator

Visits/Inspections at our suppliers, run by Bergans personell

2019: **26**

2018: **10**

Our own personell, either from the head office or from our Hong Kong office, has been on in total 70 visits at 36 factories of 26 of our suppliers (tier 1 & tier 2). Our CEO has been part of 7 of these factory visits. These visits include quality control and product development.

Percentage of tier 1 suppliers with unions or other forms for worker representation

2019: **82**

2018: **82**

We started mapping this question in 2018, when updating our SAQ (28 of 34 tier 1 suppliers report that they have a form of working committee present at their factory)

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.

We have mapped our climate emissions in scope 1 and 2, and will continue with scope 3 in 2020. As a result of the initial mapping, we have worked with reducing our emissions by reducing and improving our company cars and investing in renewable energy. In 2020, our main office will move to a more energy efficient building, close to a hub for public transport. We have also mapped our systems for digital supplier information, and found that these were inadequate. We have now replaced them (new PLM), which will greatly improve our ability to work with supplier improvements.

During our inspections at our suppliers' factories we sometimes find small breaches of our requirements for Environmental Health & Safety, which we always report to our supplier together with an Improvement Action Plan (IAP), which helps our suppliers to correct these breaches.

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 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	Workers rights
Goal :	Secure social dialogue and worker representation at all suppliers
Status :	We continue to have a close cooperation and frequent visits at our suppliers factories. We have also started to work with Quizrr in 2019, after testing the tool in previous years.
Objectives in reporting year :	Make use of a workers training tool (Quizrr) to better educate workers on their rights and responsibilities in Chinese factories

Actions :

In 2019 we have started to work with Quizrr and 3 of our Chinese suppliers have made use of this workers training tool. 762 have completed 2040 training sessions.

Indicator

Share of workers that have completed a workers rights training program

2019: **762**

2018: **0**

We have started to work with Quizrr and 3 of our Chinese suppliers have made use of this workers training tool. 762 have completed 2040 training sessions.

Salient issue	Environmental impact
Goal :	<ul style="list-style-type: none"> - More sustainable materials and production methods - Measurable environmental improvements in the supply chain - Lead in the transformation to a more circular economy.
Status :	<p>Increased our share of more sustainable materials</p> <p>Started with mapping climate emissions</p> <p>Further developing our circular services</p>
Objectives in reporting year :	Mapping our climate emission for Scope 1 (offices and transport) and Scope 2 (energy use)

Actions :

We have mapped our climate emission for Scope 1 (offices and transport) and Scope 2 (energy use). We have also increased the share of recycled materials and have continued to use more sustainable production methods like solution dye. We are testing and developing more sustainable fibers based on wood (Spinnova).

Through our participation in the Swedish Textile Initiative on Climate Action (STICA) we have started to map our climate emissions. In 2019 we mapped all our emissions for Scope 1 and 2 and reported to STICA. We have reduced and improved our car pool and have invested in Guarantees of Origin for renewable energy for all our units.

We have further developed our own circular services such as rental, subscription, redesign, repair and reuse, and have started collaboration with several external partners.

Salient issue	Chemical management
Goal :	Safe chemicals – secure RSL compliance and increase bluesign® approved materials for our products.
Status :	Ongoing, RSL is constantly being updated.
Objectives in reporting year :	Increase share of bluesign approved materials.

Actions :

Our product development always prioritize to source bluesign approved materials. While still increasing the share of bluesign approved fabrics our developpers have in the past year also implemented many more bluesign approved trims (zippers, buckles, buttons, thread etc.). Following the implementation our new Product Lifecycle Management system (PLM), we now have better tools to monitor the progress.

Salient issue	Migrant workers / refugees
Goal :	Secure labour and human right at all our suppliers.
Status :	Ongoing, constantly under review.
Objectives in reporting year :	Map risk situation concerning refugee issues in Turkey in relation to our supplier (tier1).

Actions :

Our Supply Chain Director and Head of Product have visited our supplier in Turkey to get a better understanding of and insight in the current situation. We have asked our supplier to present more documentation from recent audits.

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

The global textile industry, of which Bergans is a part, contributes to significant greenhouse gas emissions, and thus to global warming. At the same time, the industry is contributing to an ever-increasing consumption and an increasing amount of waste. We are aware that we are part of the problem, therefore we have a responsibility to be part of the solution. Bergans is actively working to reduce our emissions while offering services that extend the life of our products. To reduce emissions we are firstly mapping our emissions in scope 1, 2 and 3 - in order to set science based targets of reduction. We are also investing in more sustainable quality materials, more sustainable coloring technologies and climate compensation.

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

Our purchase department always has a good and constant dialogue with our suppliers concerning delivery times. It is our suppliers who set the timeframe for order deadlines and delivery dates, which forms the base of our time planning for a new collection. Since we most often use a rather small part of the total capacity in these factories we have to accept the timeframe set by the supplier and are not in a position to push any deadlines.

Indicator

Percentage of payments to suppliers that are made on time



This is not an issue in our value chain since we always pay our suppliers on time.

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

Our goal is to increase the share of more sustainable and/or certified materials and production methods:

- bluesign: constantly increasing the share of bluesign approved materials
- Solution Dye: we have continued to use SpinDye for our ski collection, saving water, chemicals and energy under the dyeing process
- Down: All our virgin down is certified after the Responsible Down Standard (RDS), if it's not recycled down from Re:down
- Wool: We always demand non-mulesing certificates from all our wool suppliers and have started to integrate the Responsible Wool Standard (RWS) in our product line (available in 2020)
- We ask for certificates for recycled materials (Global Recycled Standard GRS) and for organic content (Global Organic Textile Standard GOTS)
- We have developed and used a new and wood-based and more sustainably produced fibre (without any hazardous chemicals) together with a Finnish partner (Spinnova)

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.

82 % of our suppliers already state that they have some sort of workers committee. For the future we have to ensure the quality and effectiveness of these committees.

We believe in social dialogue as a valuable tool to create an effective dialogue between workers and the factory management (see also Quizrr participation)

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

We started to use a workers training tool (Quizrr) to better educate workers on their rights and responsibilities in Chinese factories.

We have started to work with Quizrr and 3 of our Chinese suppliers have made use of this workers training tool. 762 have completed 2040 training sessions.

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

We have followed the further development of the Sustainable Apparel Coalition's Higg Index and have participated in the Brand and Retail Module Testing period 2019.

Our plan for the future is that most of our suppliers will use the Higg Index facility tools for better assessment of their social and environmental performance.

We have participated in several research projects concerning microfibers, to get better knowledge and insight into the different factors contributing to the shedding of microfibers from our textiles.

One central issue is the development and establishing of a common test method to measure microfibre shedding.



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

Our two employees of our Hong Kong office have frequent contact to all our suppliers and are on regular visits to their factories to conduct quality controls and to monitor the situation regarding workers rights and Environmental/Health & Safety, to set up improvement action plans after inspections and secure their follow-up together with the supplier.

Our Supply Chain Director is the main contact towards our suppliers and responsible for all business relations including order situation, pricing, production and delivery as well as payment terms.

The employees in our Product Design & Development department have a tight dialogue with our suppliers regarding product development and are often visiting the factories to assist during the phase of product development and specification and sample production, as well as for quality checks during the initial phase of production.

The sustainability department is responsible for following up Code of Conduct, Factory Profile, Self Assessment Questionnaire, Chemical Management, Audits and projects concerning Social Dialogue and Climate Action.

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

Our supply chain set-up with a limited amount of suppliers, our focus on long-term and close relationship, and the routines we have established through many years form the basis for our risk management in our value chain. Through our due diligence work we have mapped social dialogue and environmental & climate action as our main challenges. To deal with these we participate in larger projects and initiatives together with industry peers and other stakeholders.

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

We always strive to have an open and transparent communication around all issues and challenges regarding our social and environmental impact. This also includes our internal information.

We continue the dialogue with different stakeholders such as NGOs, research institutes, organizations and policy makers. We always respond to any inquiries from NGOs or media and actively contact stakeholders when we face new challenges or need further knowledge or insight.

We have started a partnership with the environmental organization WWF, to join us in working towards our future sustainability goals.

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

We communicate our sustainability efforts as thoroughly as we can through comprehensive information on our webpage [bergans.com](https://www.bergans.com/en/sustainability). <https://www.bergans.com/en/sustainability>

We also respond rapidly to NGO, authority or media inquiries, and also to our customer's concerns in our stores, via e-mail or through social media.

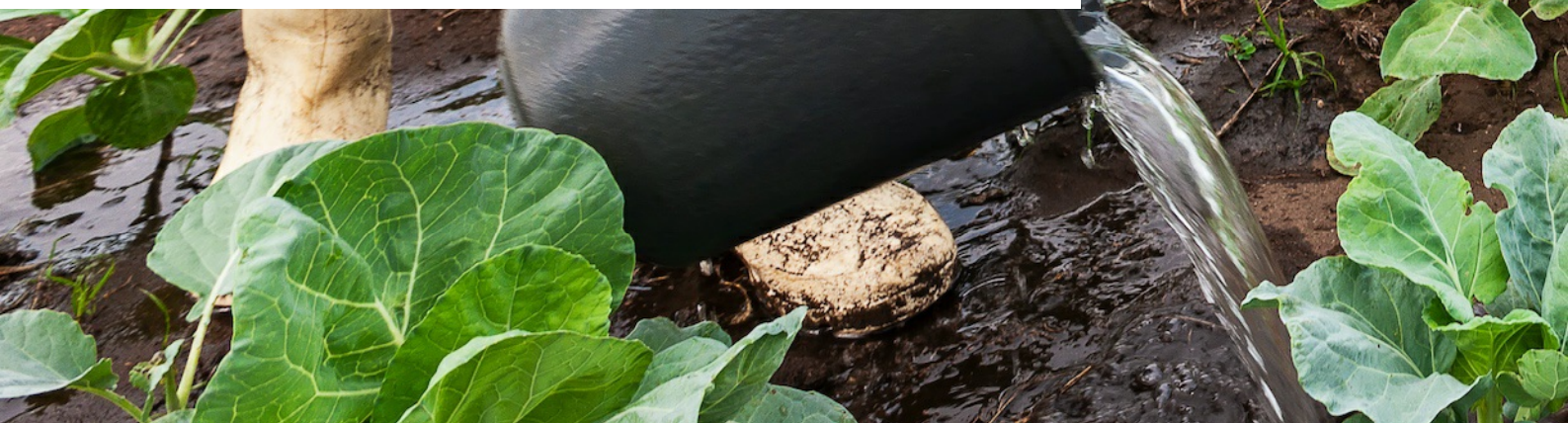
Our reporting to Ethical Trade Norway is available to the public.



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

In our Policy for Sustainable Business Practice, we underline our own obligation on due diligence, that is: "Bergans will conduct due diligence for sustainable business practices. That is: make our own risk mapping of negative impact on people, society and the environment, and stop, prevent and reduce such impact."

In our Code of Conduct (CoC) we have outlined our requirements for remediation and corrective action in the event of a breach:

"In the event of a breach of the Code of Conduct, Bergans and the supplier will jointly prepare a contingency plan for remedying the breach. Remediation shall take place within a reasonable period of time, as mutually agreed upon between the supplier and Bergans. The business relationship will only be terminated if the supplier shows unwillingness to remedy the breach following repeated enquiries."

Going forward, we see the need to establish clear routines and guidelines for remediation and how to handle potential severe breaches that may occur.

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

There has not been any detected issues for remediation in the reporting period.

6.B Secure access to grievance mechanisms

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

In our Code of Conduct (CoC) we have outlined our requirements for grievance systems at the factories:

"The supplier shall have an effective management system for handling complaints to human rights, workers' rights, environmental issues and corruption. The supplier shall ensure that both workers and external partners, such as local communities and civil society organisations, are able to submit complaints."

More or less all of our suppliers have stated that they have a functioning grievance system in place at their factories.

There has not been an issue that so far where remediation has been necessary.

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