



Rapport for

Bærekraftig forretningspraksis 2021

for Norrøna Sport AS





Til lesere av rapporten

Næringslivet har stor påvirkning på mennesker, samfunn og miljø og kan både bidra positivt til utvikling, men også medvirke negativt og forårsake skade. Virksomheter har derfor også en nøkkelrolle i å oppnå FN's bærekraftsmål. Alle selskaper, uavhengig av størrelse, er av norske myndigheter forventet å kartlegge, forebygge, begrense og gjøre rede for hvordan de håndterer risiko for negativ påvirkning samt rette opp skade for mennesker, samfunn og miljø – såkalte aktsomhetsvurderinger (due diligence). Dette gjelder både næringsliv, offentlig sektor og organisasjoner. Større virksomheter er fra og med 1.juli 2022, gjennom åpenhetsloven, lovpålagt å utføre dette arbeidet og vise åpenhet om det ved å rapportere offentlig om arbeidet.

Medlemmer i Etisk handel Norge har forpliktet seg til å jobbe med aktsomhetsvurderinger for bærekraftig forretningspraksis. Til grunn for dette arbeidet ligger Etisk handel Norges prinsipper (vår code of conduct), som dekker områdene anstendig arbeid, menneskerettigheter, miljø/klima, antikorrupsjon og dyrevelferd.

Malen for medlemsrapporten er utformet for at virksomheten skal vise åpenhet om sitt arbeid med ansvarlig næringsliv og bærekraftig forretningspraksis, som beskrevet i FN's veiledeende prinsipper for næringsliv og menneskerettigheter og OECDs retningslinjer for flernasjonale selskaper. I rapporteringen skal det inngå hvordan virksomheten arbeider med aktsomhetsvurderinger og beskrive hvilke utfordringer virksomheten står overfor, hvilke tiltak som gjennomføres for å håndtere utfordringene samt fremdrift og resultater. Alle medlemsrapportene gjøres offentlig tilgjengelig på Etisk handel Norges hjemmesider.

Heidi Furustøl

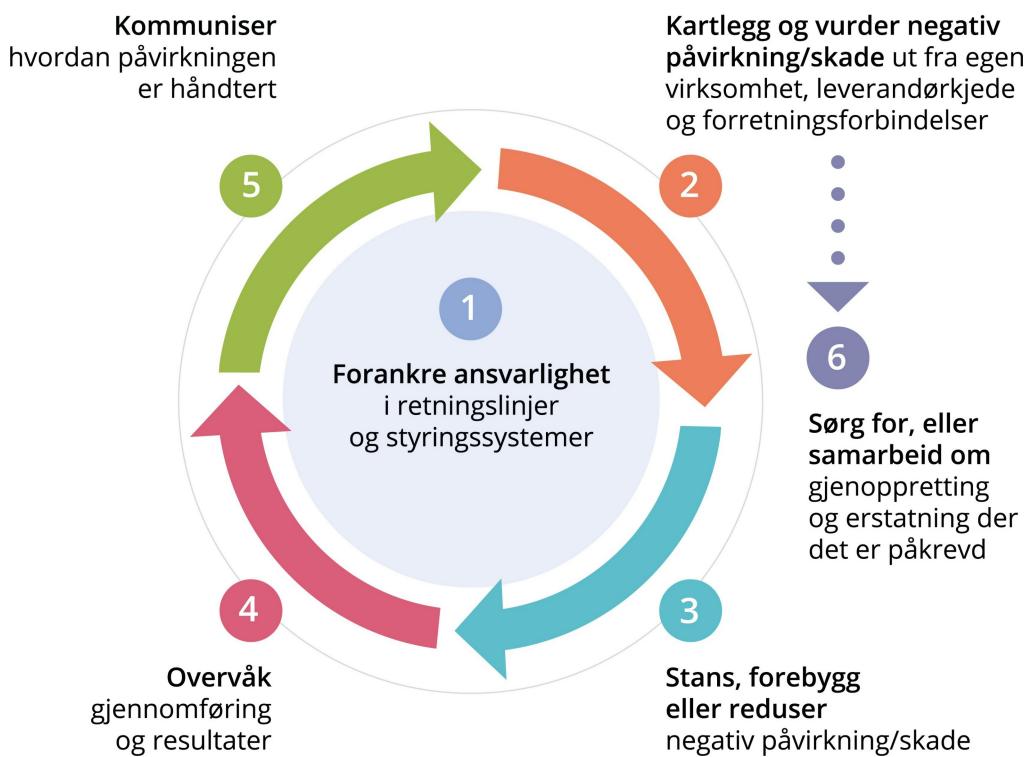
Daglig leder

Etisk handel Norge

Aktsomhetsvurderinger

Denne rapporten er bygget rundt FNs veilegende prinsipper for næringsliv og menneskerettigheter og OECDs modell for aktsomhetsvurderinger for ansvarlig næringsliv.

Modellen har seks trinn som beskriver hvordan virksomheter kan jobbe for mer ansvarlig og bærekraftig forretningspraksis. Å være god på aktsomhetsvurderinger betyr ikke at en virksomhet ikke har negativ påvirkning på mennesker, samfunn og miljø, men heller at virksomheten er åpen og ærlig om utfordringer og håndterer dette på best mulig måte i samråd med sine interessenter. Denne rapporten er delt inn i kapitler basert på denne modellen.



Forord av daglig leder

How did 2021 go?

With another year of limitations with the Covid situation, the circumstances have been challenging but we are satisfied with the work we have been able to do this year.

Some of our focus areas for 2021 was:

- Improve and systemize our social work in our value chain.
- Improve our communication around the CSR work we do.
- Scope and implement our Norrøna Responsibility Road map 2029.

Other areas that we have done in 2021 is:

- We have been among the 3 first in the world to show Higgs Index score on a product level
- We have documented our Scope 3 carbon emission (2020) with 94% actual data
- We continue the work and use 3rd party verification with the Higg index (Brand & Retail Module) BRM
- We have continued to chair the Textile Exchange biosynthetic Round Table
- We continue to be on Level 4 Leader in our Material Change Index (MCI)
- We are part of the Textile Exchange Corporate Fiber & Material Advisory Group as well as the Advisory Group to launch the Biodiversity benchmark
- We have scoped out our Norrøna Responsibility Road map 2029, and prepared for implementation in 2022.
- We have built a Grievance mechanism and continue to improve implementation of it
- Approved the Norrøna Responsibility road map goals for 2029 with our Board of Directors.

Improve value chain transparency and forecast

We have improved our forecast to our partners in the value chain and are now giving the forecast 9 months before we place orders, to give our partners better predictability. We have worked on evening out production, placing orders earlier, and also later, to help factories to have a more even production throughout the year, and reduce the stress periods during peak production.

We also worked with our factories to help out in periods of cash flow squeeze, by purchasing more materials ourselves and helping with prepayments.

Grievance mechanism

The fact that Covid-19 made it difficult for both Norrøna employees and our 3rd party auditors to enter the production sites, highlighted the need for remote solutions to amplify workers' voices. We have an ambition to ensure the workers have an easy and anonymous channel to voice their concern, if necessary outside their own organisation. We started this work in 2020 and by 2022-2025 Norrøna has the ambition to implement a remote grievance mechanism at all relevant 1-3 tier partners, preferably through joint collaboration across the industry. Our aim is still to try and work with our partners to help remedy the grievance while continuing to protect the rights of the worker before taking any further actions.

The social and human management engagement are in general further strengthened by extending our organisation with new employees focusing on the social and human management aspect across our full value chain.

The Norrøna Factory

We finally got to visit the Norrøna Factory in Lithuania, and it is now well up and running. Our focus for 2021 has still been to get the factory up and running at a stable level, document processes and develop the culture at the factory. We have a goal to start measuring "Great Place To Work" scores, as we do with the other Norrøna Companies.

What areas will we focus on in 2022?

We will Continue the work of systemizing our social and human work in our value chain as well as Implement Norrøna Responsibility Road map 2029.

The work with the next phase of our Responsibility road map has started well but a lot of work still to be done in 2022. We have already defined concrete measurable goals. We need to measure where we are today (some work

left), decide goals per year all the way to 2029, place responsibility in our organisation for each task (so it is a commitment from everyone working in Norrøna) , build a digital platform for all the responsibility data and implement a website to show transparency to our users.

Norrøna will work on a improved collaboration across the industry, to build more robust and transparent social and environmental processes while reducing redundancy for the factories and suppliers. In addition we will strive to be better at communicating what we do, and have more information about this on our website

Jørgen Jørgensen
CEO, Norrøna Sport

" Norrøna will work on an improved collaboration across the industry, to build more robust and transparent social and environmental processes while reducing redundancy for the factories and suppliers. "

A handwritten signature in blue ink, appearing to read "Jørgen Jørgensen". It is written in a cursive style with a horizontal line underneath the name.

Jørgen Jørgensen
CEO

Nøkkelinformasjon om bedriften og leverandørkjeden

Nøkkelinformasjon om bedriften

Navn på bedriften

Norrøna Sport AS

Adresse hovedkontor

Vollsveien 13H, 1366 Lysaker

Viktigste merker, produkter og tjenester

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

Beskrivelse av bedriftens struktur

The company is family owned and was founded in 1929 by Jørgen Jørgensen. It is now run by his great-grandson, also named Jørgen Jørgensen.

Head quarter situated at Lysaker in Norway organized in 6 departments;

- RD&D (Research, Design and Development)
- Customer service and Repair
- Supply Chain
- Finance
- Marketing
- Sales

The management group consists of the CEO and a director representing each department in the organization. Norrøna has fully owned sales offices in Sweden, Germany, Switzerland, Finland and USA as well as a garment factory in Lithuania. With a strong focus on own distribution, Norrøna have the opportunity to develop slow fashion and build the brand upon sustainable quality, rather than chase volumes and price at the cost of sustainability.

Omsetning i rapporteringsåret (NOK)

615 000 000

Antall ansatte

105

Vesentlige organisatoriske endringer siden forrige rapportering

There has been no changes in the organization, or company structure during 2021, but Covid-19 forced us to work remotely due to the global travel restrictions. We have not been able to travel to our suppliers and partners as scheduled, and some of our planned 3rd party CSR audits have been postponed. The physical presence to evaluate salient risk, have been replaced by desktop analysis based on the feedback given from our suppliers and manufacturers on a self assessment level. As a result of this, the close communication with our partners have been more important in 2021, and is even strengthened during the pandemic.

Despite the great uncertainty our industry was facing in the beginning of the pandemic, Norrøna worked hard to remain business-as-usual towards our business relations. In times of uncertainty, we know predictability is a valuable factor, so we focused on being flexible on both sides of the value chain. Norrøna managed to keep the production forecast during 2021 without cancelling any orders towards our suppliers and manufacturers.

Navn, tittel for kontaktperson for rapporten

Kjersti Glosli, Head of sourcing, costing and quality

E-post adresse for kontaktperson for rapporten

kjersti.glosli@norrona.no

Informasjon om leverandørkjeden

Generell beskrivelse av bedriftens innkjøpsmodell og leverandørkjede

In-house development at Norrøna HQ, and direct purchases of own developed products at nominated manufacturers in Europe and Asia.

Norrøna also nominates the material suppliers of close to 100% of the finished goods. Related to SS21 and FW21/22, Norrøna's total material spend covered 95,13% from nominated suppliers/materials whilst 4,87% was related to non-nominated material. Of the non-nominated materials, 44% are related to embossing, embroideries and prints done either in-house at our manufacturers or outsourced by our manufacturers. We continuously strive to nominate all materials across our products and to increase the share of nominated suppliers and materials to ensure and improve the social, human and environmental factors, as well as ensure animal welfare across our value chain.

Norrøna prefers direct purchase and communication with both our manufacturers and suppliers. In a few cases, parts of the production are traded through an agent. Despite this, Norrøna has free access and good knowledge of all factories that produce our products. This is regardless of whether the agreement indicates direct cooperation, or if it's through our agent. It is ensured that both Norrøna directly and the local agents have a strong connection to the manufacturer and are followed up in accordance to established guidelines, rules and regulations.

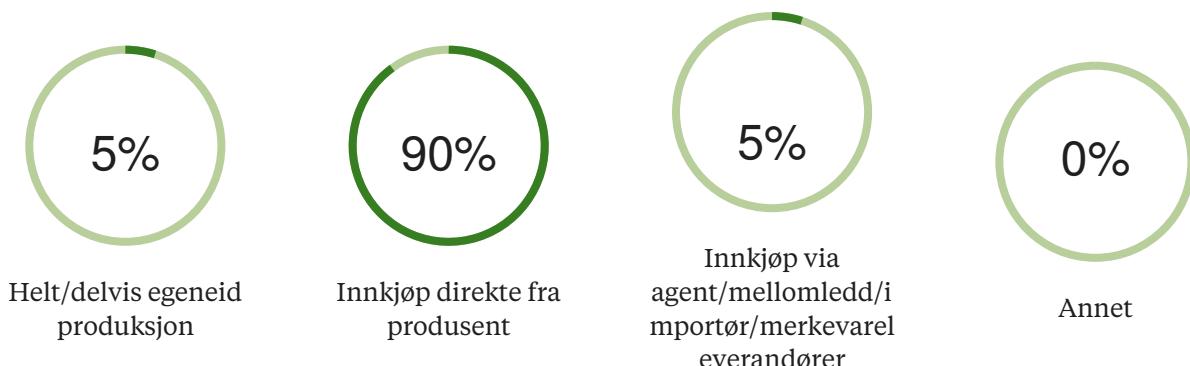
Antall leverandører som bedriften har hatt kommersielle relasjoner med i rapporteringsåret

20

Kommentar til antall leverandører

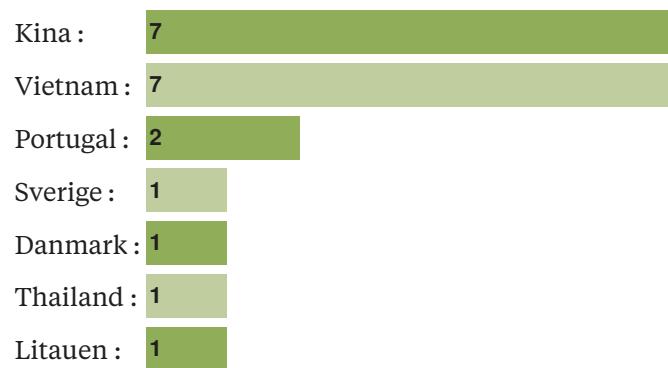
This reflects our cut and sew manufacturers. Some of our manufacturers have more than one factory. Currently we have nominated 49 material and trim suppliers.

Type innkjøp/ leverandørforhold



SS21 was the first season to produce in our own factory in Lithuania. To start with, the Norrøna factory are mainly producing baselayers and midlayers. This will reduce the current production quantities from Asia. The Norrøna factory will also help us reducing freight and shipping costs, emissions and lead time as well as give us the opportunity to manifest "our way of working" in relation to CSR and our co-worker's job satisfaction, work condition and safety, environmental standards, and innovation. We hope that the finding and knowledge helps us to improve the conditions and routines at our other manufacturing partners, and lead us to improve the way we do business even more.

Liste over førsteleddsprodusenter per land



This is our manufacturing partners for garments, socks, hats, gloves, backpacks, wetsuits, sleeping bags, belts and goggles

Oppgi antall arbeidere hos førsteleddsprodusenter som bedriften har oversikt over, og hvor mange produsenter dette er basert på.

Antall arbeidere

28 104

Antall produsenter dette er basert på

20

Antall arbeidere per produsent (kalkulert snitt)

1406

Kommentar til antall arbeidere

Some of our manufacturer have more than one factory. Factory sizes varies from 100 to over 4000 workers.

Viktigste innsatsfaktorer/råvarer og geografi

Cotton raw material	India Tyrkia USA
Polyester and/or Polyamide	Kina Spania Italia Japan Sør-Korea Thailand Taiwan USA Vietnam
Coated and laminated materials (Gore-Tex and Dri)	Sveits Kina Tyskland Japan Sør-Korea Sverige USA
Leather	Sør-Afrika
Down/feather	Kina
Wool raw material	Australia New Zealand Sør-Afrika Sør-Amerika

Er virksomheten leverandør til offentlig sektor?

Nei

Mål og fremdrift

MÅL OG FREMDRIFT I RAPPORTERINGSÅRET

1

Mål : 3rd party verified Higg`s Index Score for Brand Module
Target 2021: 60% Social / 60% Environmental

Status : 87,9% Social (verified) / 85,7% Environmental (verified)

2

Mål : % of Norrøna employees commuting environmentally friendly in Norway including hybrid cars
Target 2021: 100%

Status : Not measured in 2021 due to health restrictions surrounding Covid.

3

Mål : Recycle waste produced at Norrøna HQ
Target 2021: 90%

Status : 56%. Norrøna HQ are currently undergoing a major reconstruction which started Q2 2021.

4

Mål : Norrøna House of renewable energy
Target 2021: 100%

Status : 100%

5

Mål : Less than 1% air freight
Target 2021: <1%

Status : 1,3%

6

Mål : % of factories completing the self assessment of Higg`s Index facility Module (FEM)
Target 2021: 90% by volume

Status : Manufacturers: 80,40%
Suppliers: 91,30%

7

Mål : % of factories audited through Higg`s Index facility Module (FEM)
Target 2021: 60% by volume

Status : Manufacturers: 38,40%
Suppliers: 62,00%

8

Mål : % of factories completing the self assessment of Higg's Index Social & labor Module (FSLM)
Target 2021: 40% by volume

Status : Manufacturers: 78,80%
Suppliers: 61,70%

9

Mål : Percentage of planned production being produced in low season to reduce excessive overtime
and facilitate living wages
Target 2021: 25%

Status : 41% produced outside peak season during 2021

10

Mål : Use of 3rd party chemical verification by purchase volume (Bluesign/Oeko-Tex & GOTS) :
Target 2021: 100%

Status : 98,7%

MÅL FOR KOMMENDE ÅR

1

3rd party verified Higg`s Index Score for Brand Module

Target 2022: 90% Social / 90% Environmental

2

% of Norrøna employees commuting environmentally friendly in Norway including hybrid cars

Target 2022: 100%

3

Recycle waste produced at Norrøna HQ

Target 2022: 90%

4

Norrøna House of renewable energy

Target 2022: 100%

5

Less than 1% air freight

Target 2022: <1%

6

% of factories completing the self assessment of Higg`s Index facility Module (FEM)

Target 2022: 80% by volume

7

% of factories audited through Higg`s Index facility Module (FEM)

Target 2022: 70% by volume

8

% of factories completing the self assessment of Higg`s Index Social & labor Module (FSLM)

Target 2022: 60% by volume

9

Percentage of planned production being produced in low season to reduce excessive overtime and facilitate living wages

Target 2022: 30%

10

Use of 3rd party chemical verification by purchase volume (Bluesign/Oeko-Tex & GOTS) :

Target 2022: 100%

A close-up photograph of a woman wearing a traditional Vietnamese conical hat with a pink ribbon. She is smiling and appears to be working in a rice field. The background shows a green rice paddy under a clear sky.

1

Forankring av bærekraft i virksomheten

Forankring av ansvarlighet knyttet til bærekraftig forretningspraksis i virksomheten handler om å ha strategier, planer, relevante policyer* og retningslinjer for aktksamhetsvurderinger som er vedtatt av ledelsen. Disse bør omfatte hele virksomheten, samt virksomhetens leverandørkjede og forretningsforbindelser. Effektive styringssystemer for implementering er en forutsetning for å lykkes, og arbeidet med aktksamhetsvurderinger bør være en integrert del av virksomhetens forretningsdrift. Tydelige forventninger fra toppledelsen, samt tydelig plassering av ansvar innad i virksomheten for implementering av de ulike delene av aktksamhetsvurderinger er viktig. Alle involverte må vite hva de skal gjøre. Åpenhet om forpliktelser virksomheten har til seg selv, utfordringer de står overfor og hvordan dette håndteres, er vesentlig.



1.A Policy* for egen virksomhet

1.A.1 Lenke til offentlig tilgjengelig policy for egen virksomhet

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

1.A.2 Hva sier bedriften offentlig om sine forpliktelser til å respektere mennesker, samfunn og miljø?

Norrøna Sport AS ambition is to be a leader in environmental and social responsibility and push our industry forward. Our policy for Responsible Business Conduct (RBC) is an expectation for ourselves and all partners we do business with. Aligning with the UN Guiding Principles on Business and Human Rights, we commit that people have an inalienable right to be treated with dignity, human rights are inherent in all human beings, whatever their nationality, place of residence, sex, national or ethnic origin, color, religion, language, or any other status, every individual is entitled to human rights without discrimination and these rights are all interrelated, interdependent and indivisible.

Norrøna has a zero tolerance policy so any violation of these human rights must be corrected immediately with a solid plan towards compliance or Norrøna will be forced to cease cooperation with the breaching party.

1.A.3 Hvordan er policy for egen virksomhet blitt utviklet og forankret?

Our Policy for Responsible Business Conduct (RBC) are developed internally by the relevant resources in our organisation together with relevant stakeholder groups as Ethical Trade Norway, and follow recognized international standards such as the ILO conventions, OECD Responsible Business Conduct (RBC) guidance, and the UN Guiding Principles on Business and Human Rights.

The RBC is revised every year and approved by our top management. Our RBC are translated into seven languages to ensure the content is well understood across our full value chain. The RBC is publicly available at our website in all languages (English, Thai, Chinese, Korean, Vietnamese, Lithuanian and Portuguese).

Norrøna has distributed and presented the RBC across our full value chain, both internally and externally, to set a common standard on what our manufacturers and suppliers can expect from Norrøna as well as what Norrøna expects from our manufacturers and suppliers.

The purpose of due diligence is first and foremost to avoid causing or contributing to adverse impacts on people, the environment and society, and to seek to prevent adverse impacts directly linked to operations, products or services through business relationships, meaning today's generation get their needs covered without compromising the ability of future generations to meet their own needs.

1.B Organisering og internkommunikasjon

1.B.1 Hvordan er arbeidet med aktksamhetsvurderinger organisert i bedriften, og hvorfor?

Social, human and environmental work within Norrøna are integrated across our organisation. Norrøna decided to not use a "watchdog department" concentrating specifically on social, human and environmental issues, but rather integrate the responsibility across all departments. Every member of the company is 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, our 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 environmental targets.

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

In April 2022 Norrøna are further strengthening our work on social, human and environmental work with two new members. One CSR responsible within RD&D department as well as one CSR business developer that will work on projects based across the organisation. Both will hold a 100% position focusing on training, improving, developing, implementing and measuring our actions related to social, human and environmental management in our value chain.

1.B.2 Hvordan blir betydningen av virksomhetens aktksamhetsvurderinger konkretisert og tydeliggjort for de ansatte gjennom stillingsbeskrivelse, arbeidsoppgaver og incentivordninger?

Norrønas four building blocks are Quality, Function, Design and Sustainability. Sustainability is at the core of our focus and ambition. The responsibility to include social, human and environmental aspects in decision making and actions is not set aside to one or more key employees. It is applicable to all Norrøna employees, and we work towards shared goals.

The importance of due diligence work is defined in our RBC and 2029 road map as well as through our company and strategy goals published at our intranet together with relevant KPI's. These tools are regularly used and referred to internally through meetings; as our monthly information meetings held by our top management.

Our due diligence policies will be implemented through our on-boarding program of new hires, through each job description, KPI's and through our employer handbook from 2022 onwards.

Top management put emphasis on the need for all employees to incorporate due diligence in core business decisions, corresponding with our 2029 road map, established company and strategy goals as well as through our policy for responsible business conduct (RBC).

1.B.3 Hvordan sikres det at relevante ansatte har tilstrekkelig kompetanse til å gjennomføre arbeidet med aksomsomhetsvurderinger?

Focus, respect and knowledge is important if we want to achieve our shared goals. Training of employees on responsible business conduct is performed regularly and when appropriate. Employees responsible for implementing due diligence in the supply chain have been trained in their area of expertise and are kept updated on industry standards continuously.

During 2021 members in our organisation joined webinars regarding the new Due diligence law, as well as six webinars regarding the 6 steps in due diligence reporting, through Ethical Trade Norway. In addition Higg`s BRM report (Brand and Retail Module) are also founded on OECD responsible business guiding and members across all departments in Norrøna have both conducted the BRM report as well as being externally audited and trained in relation to this.

1.C. Planer og ressurser

1.C.1 Hvordan er virksomhetens forpliktelser til å respektere mennesker, samfunn og miljø forankret i virksomhetens strategier og handlingsplaner?

With clear goals that are regularly evaluated and discussed across the organisation. It is also ensured through implementing our policy for responsible business conduct, CoC and our CSR roadmap from 2021-2029 as well as through our social and labor document enclosed.

These policies and strategies cover our focus and action plans. In addition, all factories are screened and inspected regularly, and a sound approach to sustainability and a responsible and fair treatment of workers (through practices, policies and initiatives) will weigh heavily in favor of that manufacturer in our screening. Norrøna promotes long term partnership and values to educate and develop our cooperation rather than seek new partners only on the benefit of price.

Norrøna works 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.

During 2020 we implemented HIGGS index improving social, human and environmental aspects for the company and business partners, suppliers and the products as a whole. We continued this work throughout 2021. We also actively participate in several collaborations, such as Textile Exchange, STICA (Swedish Textile Initiative for Climate Action) and Fashion for Good.

1.C.2 Hvordan følges virksomhetens strategier og planer for å være ansvarlig og bærekraftig opp av ledelse og styre?

- Norrøna 2029 goals are approved by top management and the board. Annually roadmaps results are followed up throughout the year.
 - Policy for Responsible business conduct (RBC) documents are evaluated and approved by the top management each year.
 - Through implementing HIGGS index by improving social and environmental aspects for the company and business partners, suppliers and the products (FSLM, FEM and BRM).
 - Through internal information meetings twice per year, where management team and top management present the status per KPI, action plans and strategies set forward for the reporting year. Thereafter an follow-up session per department where each team/employee are to work on how to improve and focus to make sure the company as a whole reaches whats set forward.
 - Supporting with more resources within CSR responsibilities in order to both develop, advocate new legislation's, implement new routines, train, support and educate on site as well as measure our actions across the full value chain
-

1.D Partnerskap og samarbeid med forretningsforbindelser, spesielt leverandører

1.D.1 Hvordan tydeliggjør virksomheten viktigheten av ansvarlighet og bærekraft i møte med forretningspartnere, spesielt i leverandørkjeden?

Norrøna has the following requirements so that we and our partners comply with social and labor laws and help to improve the lives of all people associated with our company. Documentation of all factories, suppliers and contract partners:

- Codes of Conduct (1) within our product supply chain - across tier 1-2 supplies (minimum)
- Code of Conduct (2) for all employees and partners outside the production supply chain of our products.
- All employees of Norrøna sign employee CoC and acceptance of Employee Handbook (2020-21).
- Our 3rd party distribution Center signed CoC and is located in a low risk country (Denmark).
- Our logistic/transportation suppliers whether directly or indirectly have signed CoC or have strong CoC which we have reviewed (2020-21)
- All professional organizations and companies contracting work to us sign CoC or submit their CoC for our approval.
- Distribution and implementation of our policy for responsible business conduct (RBC) across all our nominated 1-2 tiers (minimum)
- Completion of HIGG INDEX Facilities Social & Labor Module (FSLM) from all tier 1 & 2 partners (minimum).
- Third party verification of social and labor compliance or better - tier 1 & 2 partners (minimum).
- In 2021 we improved the auditing standard by using a new auditing tool by our 3rd party auditor ELEVATE.

- Active support of the United Nations 17 Sustainable Development Goals.
- Active support of the United Nations Global Compact Principles
- Active support of United Nations Guiding Principles On Business & Human Rights
- Active participation with the Ethical Trade Initiative or similar to advance Norrøna's performance as a good partner in terms of human rights and improvement of workers lives.

As a SME (small/mid sized enterprise), it is not possible for us to continuously inspect every supplier everyday, nor do we want that type of relationship with our suppliers who we feel are respected partners. To avoid risk we utilize resources upfront when choosing a factory or supplier to work with. We believe asking the right questions and documenting up front, building trust with the factories/suppliers and having a full facility inspection before we work together alleviates misunderstandings about the possibility of unfair or unsafe labor practices.

We believe that the quality of each worker's life has a direct impact on the quality of their workmanship on our products. Our strategy and processes require long-term partnerships with a close relationship. Due to our size and high quality demands, we do not work in the highest risk countries, nor high risk factories.

Current status and improvements:

Norrøna continuously improves our approach toward social and labor issues. We require facts and cannot accept assumptions. Better documentation of processes, procedures and measurements is the focus for improvement. Through the Higg Index Brand & Retail Module (BRM), areas of improvement identified include updating documentation, procedures and the scope of our responsibilities.

Areas of the business not focused on are highlighted to ensure we are in compliance of our goals.

Utilizing this knowledge, we will improve documentation and archiving to secure that our entire business is covered within our Codes of Conduct and Human Rights Commitment. We engage with Ethical Trade Initiative to reflect and improve on our current social & labor procedures.

Norrøna invested considerable resources reviewing that new potential factories initially meet our expectations in terms of quality, reliability and social adherence to our CoC.

- All new factories go through a rigorous process with the necessary documentation easily accessible.
- We will secure that all partner factories consistently meet robust guidelines to decrease risk to the business.
- We implemented a new auditing tool from ELEVATE in 2021 to decrease risk.
- We commit to implementing the Higg FSLM and will learn how to understand and use the new information.
- All social & labor procedures and processes must be part of the KPI's and responsibility of top management.

- All social & labor procedures and processes must be part of the KPI's and responsibility of employees having contact outside Norrøna.

In 2021 we started the work on assessing the current status regarding grievance mechanism, collective bargain, workers representation and freedom of association at each production site in our value chain.

The key is to access as much direct information as possible, systematize the info and then do a thorough risk assessment to reveal where to focus first. The aim is also to detect if there are possibilities to cooperate across brands/industry/trade unions/organisations to ensure one strong process at each facility instead of multiple routines from different brands/customers. This is described further in our action plan for social and human management, questionnaire and grievance procedure enclosed.

To assess the status at each value chain partner and to prevent assessment fatigue, we will use three verification tools:

1. HIGG FSLM: If the manufacturer or supplier have shared the report with Norrøna, this forms the basis of the info needed in our risk assessment used to uncover how to move forward with the suitable surveillance, and to ensure proper and functional mechanisms at site. The Higg FSLM is built on the converged framework of the Social & Labor Convergence Program (SLCP).
2. New 3rd party audit tool: To improve the status and information gathered from the 3rd party audits, we have decided to change to a more detailed auditing tool from Elevate starting from October 2021. As Norrøna only conducts 3rd party audits every 3rd year and is limited to our 1st tiers, we can not base upon this assessment alone.
3. Questionnaire/Survey: We have developed a questionnaire to assess the current status of each facility in our value chain (Tier 1-3), to ensure compliance with our Code of Conduct and policy for Responsible Business Conduct (RBC) and to ensure that our actions are not causing or contributing to adverse impacts on people, the environment and society, and to seek to prevent adverse impacts directly linked to operations, products or services through business relationships. This questionnaire was distributed during 2021 and is aimed to uncover current status on site, related to Grievance mechanism, Collective bargain, Workers representation and Freedom of association.

Our strategy and processes require long-term partnerships with a close relationship. Products are normally placed at a factory and/or supplier for at least three years providing the workers with more security and the ability to ensure high quality. This in addition to supplier and manufacturer forecasts 9 months in advance of bulk production.

1.E Erfaringer og endringer

1.E.1 Hvilke erfaringer har virksomheten gjort seg om arbeidet med bærekraftig forretningspraksis i rapporteringsåret, og hva har endret seg som et resultat av dette?

COVID-19 highlighted the need for remote solutions to workforce management in order to amplify workers voices. The ability to be on site was drastically reduced from march 2020 and even our 3rd party auditors were not able to conduct audits at the extent as planned. Norrøna fears that the social and human part have not been in focus the same way as if we had been present at the production site. Even so, Norrøna have focused on regular video meetings with our manufacturers, across levels in the organisation with the aim to reveal the situation and with the aim to support where possible.

Norrøna has also stepped up our work to train and improve the social and human management at each facility and are currently assessing the status related to grievance mechanism, collective bargaining, workers representation and freedom of association.

In relation to grievances, Norrøna Sport AS have the ambition to ensure the workers an easy and anonymous channel to canalize their concern, if necessary outside their own organisation. This is relevant not only at our manufacturers (Tier 1) but also down to Tier 3.

As for the social and human aspects, Norrøna recognizes and communicates the need for collaboration between brands (and other members of the value chain) also in terms of the environmental aspect. This 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 several collaborations, such as Textile Exchange, SAC (HIGG`s), STICA (Swedish Textile Initiative for Climate Action), and Fashion for Good.



2

Fastsette fokus for rapporten

Kartlegging av virksomhetens påvirkning på mennesker, samfunn og miljø

Kartlegging handler om å identifisere virksomhetens risiko for, og faktiske negative påvirkning eller skade på mennesker, samfunn og miljø, inkludert i leverandørkjeden og gjennom forretningsforbindelser. Det handler om å først danne seg et overordnet risikobilde, for så å prioritere mest vesentlige risikoområder for grundigere kartlegging og håndtering av funn. Hvordan virksomheten er involvert i eventuell negativ påvirkning på mennesker, samfunn og miljø, er sentralt for å avgjøre riktig respons og tiltak. Involvering av interesser, spesielt påvirkede parter, er sentralt i kartleggingsarbeidet, så vel som i tiltak for å håndtere utfordringene på en god måte.

2.A Kartlegging og prioritering

PRIORITERT NEGATIV PÅVIRKNING/SKADE FOR MENNESKER, SAMFUNN OG MILJØ

Å prioritere en eller flere risikoområder på bakgrunn av alvorlighetsgrad, betyr ikke at noen risiko er viktigere enn andre, eller at virksomheter ikke gjør noen med annen risiko, men at det som har størst negativ påvirkning prioriteres først. Kartlegging og prioritering er en kontinuerlig prosess.

2.A.1 List opp virksomhetens prioriterte risiko for negativ påvirkning/skade på mennesker, samfunn og miljø.

Prioritert negativ påvirkning / skade	Relatert tema	Geografi
Grievance mechanism, workers representation, freedom of organisation and collective bargaining	Tvangsarbeid Fagorganisering og kollektive forhandlinger Barnearbeid Diskriminering Brutal behandling Lønn Arbeidstid Regulære ansettelser Marginaliserte befolkningssgrupper Korruption	Kina India Sør-Korea Litaue n Pakista n Portug al Thaila nd Taiwa n Vietna m
Occupational health and safety in the supply chain	Brutal behandling Helse, miljø og sikkerhet Arbeidstid	Kina India Japan Sør-Korea Litaue n Pakista n Portug al Thaila nd Taiwa n Vietna m

Decent work for migrant workers	Tvangsarbeid Fagorganisering og kollektive forhandlinger Barnearbeid Diskriminering Brutal behandling Helse, miljø og sikkerhet Lønn Arbeidstid Regulære ansettelser Marginaliserte befolkningsgrupper Korrupsjon	Kina India Sør-Korea Litauen Pakistan Portugal Thailand Taiwan Vietnam
Excessive working hours in the supply chain	Tvangsarbeid Fagorganisering og kollektive forhandlinger Brutal behandling Lønn Arbeidstid Regulære ansettelser	Kina India Sør-Korea Litauen Pakistan Portugal Thailand Taiwan Vietnam
Modern slavery in the supply chain	Tvangsarbeid Fagorganisering og kollektive forhandlinger Barnearbeid Diskriminering Brutal behandling Helse, miljø og sikkerhet Lønn Arbeidstid Regulære ansettelser Marginaliserte befolkningsgrupper Korrupsjon	Kina India Sør-Korea Litauen Pakistan Portugal Thailand Taiwan Vietnam

Decent wages in the supply chain	Fagorganisering og kollektive forhandlinger Lønn Arbeidstid Regulære ansettelse	Kina India Sør-Korea Litauen Pakistan Portugal Thailand Vietnam
Animal welfare	Miljø Dyrevelferd Materialbruk	Australia Kina Storbritannia New Zealand Sør-Afrika Sør-Amerika
Water use in the supply chain	Miljø Utslipp Drivhusgasser Energi Avfall Vann Materialbruk	Globalt
Greenhouse Gas Emission (Scope 1-3 emission)	Miljø Utslipp Drivhusgasser Energi Avfall Materialbruk	Globalt
Microfiber pollution	Miljø Utslipp Drivhusgasser Avfall Vann Materialbruk	Globalt

Responsible sourcing of wood fibers (forestry)	Tvangsarbeid Fagorganisering og kollektive forhandlinger Barnearbeid Brutal behandling Helse, miljø og sikkerhet Lønn Arbeidstid Regulære ansettelser Marginaliserte befolkningsgrupper Miljø Materialbruk	Globalt
Plastic / polymers	Miljø Utslipp Drivhusgasser Energi Avfall Materialbruk	Globalt

The salient risks listed are based on our salient risk and country risk assessment that covers 100% of our manufacturers as well as 76% of the production volume for our SS21 and FW21/22 collections. Furthermore the salient risk/country risk assessment covers 60% of the material spent in the same period. This in order to cover as wide an aspect of our value chain as possible. The salient risks listed is defined based on known issues geographically across our industry and not necessarily a problem in our nominated facilities. Still the salient risk/country risk assessment puts focus on our actions and where to prioritize going forward as Norrøna recognize that we don't have the full status at each facility at any given time. This is why the work related to the listed salient issues is never finalized, but has to be top prioritized at all times. The salient issues are not listed in a prioritized order.

BEGRUNNELSE FOR HVORFOR DISSE UTFORDRINGENE ER PRIORITERT SOM MEST VESENTLIGE FOR MENNESKER, SAMFUNN OG MILJØ

2.A.2 Beskriv kort virksomhetens rutiner for kartlegging og identifisering av risiko og vis til hvordan den negative påvirkningen/skaden ble identifisert og prioritert i denne perioden. Beskriv hvordan informasjon ble hentet inn, hvilke kilder som er benyttet og hvilke interessenter som er involvert/dere har snakket med. Beskriv videre også om det er identifisert områder eller tema hvor det er manglende informasjon for å danne seg et helhetlig bilde, og hvordan dere planlegger å gå frem for å få mer informasjon/håndtere dette.

Traceability & accountability goes above all. Without knowing the source, without digging down the value chain, we are not able to make decisions that benefit people, planet and products. The deeper we dig, the more is revealed and the more we are able to change for the better.

We identify salient issues in our business through an ongoing due diligence process. This includes salient and country risk assessment, supply chain audits, desktop reviews, worker and worker representative dialogue, surveys, stakeholder engagement, engagement with expert organizations like EHN, Sustainable Apparel Coalition (SAC), Textile exchange, STICA, bluesign, FLA, BSCI, ELEVATE, UN Global compact, OECD, networks and forums.

Social, human and environmental assessments throughout our supply chain gives us valuable insight. Based on the information gathered we develop country risk profiles, supplier profiles, product risk profiles and materials/fiber risk profiles.

Our goal for 2029 is "100% of products use Higg Index scores to provide traceability & accountability" & "100% of Norrøna supplier's facilities actively participate in the Higg Index FEM & FSLM". We are in good speed, and find that this will never be fully resolved. We just need to strive to be even better, without stop.

To reach our goals we work across below principles:

- Full traceability and accountability from feedstock to customer.
- Use of Higg Index MSI to evaluate LCA and chemical use.
- Evaluate environmental impacts not covered by the MSI
- Use of GRS, RDS, RWS, GOTS as ways to trace the supply chain
- Use transactional tracing on all materials and products inclusive of packaging.

Every product will include a Product Module score providing social, human and environmental results as soon as we find a suitable way of measure the below:

- Scores and environmental evaluation will be available to consumers for all products.
- MSI and Index shortcomings will be clearly stated on the website to help consumers.

We are currently working on full traceability and accountability of the facilities involved in our supply chain.

- Review FEM to evaluate production facilities.
- Review FSLM to evaluate the social and human management of workers in the facilities.
- The goal of the FEM and FSLM is to work together towards improvement.

Our goal is to be fully transparent with supplier information located on our website with their FEM and FSLM scores associated with each supplier. Long-term supply chain partners that seek help with improvement will be an important part of Norrøna's product and material selection process in the future.

Scores on the website will also include explanations to ensure we encourage open improvement with our suppliers that shows actual progress. Members of the supply chain team will be trained in 2021 on how to use the Higg Index as part of the evaluation process.

ANNEN NEGATIV PÅVIRKNING/SKADE

2.A.3 Beskriv annen negativ påvirkning/skade på mennesker, samfunn og miljø som ble identifisert i kartleggingen i egen virksomhet, leverandørkjeden eller hos forretningsforbindelser i rapporteringsåret og hvordan disse er håndtert.

Through cooperation across our industry and through relevant stakeholders, we were informed that one of our manufacturers did not pay their workers salary through 1,5 month during spring and summer 2021. Norrøna immediately arranged meetings with the top management and owner to address the issue as well as get their side of the story. The Owner admitted there were cash flow limitations during Covid, which affected the workers. Through open and honest communication, we supported the situation by pre-paying our orders 4-6 months in advance with the prerequisite that Norrøna was to be presented the payroll receipts and documentation that the situation was remediated.

Furthermore, we have established a project to closely monitor, train and support the manufacturer and its workers to prevent this from happening again.

A photograph showing several workers in a factory or laboratory setting. They are wearing blue protective suits and caps. One worker in the foreground is looking down at a task. The background is blurred, showing more of the industrial environment with metal structures and lighting.

3

Håndtering av prioritert påvirkning

Stanse, forebygge eller redusere negativ påvirkning

Stanse, forebygge eller redusere handler om å håndtere funn fra kartleggingen på en god måte. Virksomhetens mest vesentlige negative påvirkning på mennesker, samfunn og miljø prioriteres først. Dette betyr ikke at annen risiko er uvesentlig eller at det ikke håndteres. Hvordan virksomheten er involvert, er sentralt for å treffen riktige tiltak. Faktisk negativ påvirkning/skade som virksomheten forårsaker eller bidrar til må stanses, forebygges og reduseres. Virksomheter som er direkte forbundet med negativ påvirkning må bruke sin innflytelse til å få forretningsforbindelser (f.eks. leverandører) til å stanse, forebygge og redusere dette. Dette innebærer å utvikle og iverksettes planer og rutiner for å håndtere risiko, og kan kreve endringer i egne policyer og styringssystemer. Virksomheters vellykkede håndtering av negativ påvirkning på mennesker, samfunn og miljø er et avgjørende bidrag til FNs bærekraftsmål.

3.A Stanse, forebygge eller redusere

3.A.1 Legg til mål, status på fremdrift, og beskriv tiltak dere har iverksatt for å håndtere virksomhetens prioriterte negative påvirkning/skade på mennesker, samfunn og miljø

Prioritert negativ påvirkning/skade	Grievance mechanism, workers representation, freedom of organisation and collective bargaining
Overordnet mål :	Ensure that workers are properly represented and sound routines are in place for the benefit of the workers, throughout the full value chain.
Status :	<p>Status during 2021 until 2022/Q2:</p> <p>Reviewing status at all partners from tier 1-3 in our nominated value chain. This is done through meetings, assessment through a Norrøna questionnaire combined with reports already submitted through HIGG FSLM, BSCI, ELEVATE, SEDEX etc.</p> <p>The findings, combined with the knowledge from relevant NGO`s, put the spotlight on the fact that the routines are not in place and the focus is not properly prioritized at all our partners.</p>
Mål i rapporteringsaret :	<p>The fact that Covid-19 made it difficult for both Norrøna employees and our 3rd party auditors to enter the production sites, highlighted the need for remote solutions to amplify workers' voices. We have an ambition to ensure the workers have an easy and anonymous channel to voice their concern, if necessary outside their own organisation. We started this work in 2020 and by 2022-2023 Norrøna has the ambition to implement a remote grievance mechanism at all relevant 1-3 tier partners, preferably through joint collaboration across the industry. Our aim is still to try and work with our partners to help remedy the grievance while continuing to protect the rights of the worker before taking any further actions.</p> <p>During this work, we decided to go a step further, not only checking the status of our tier 1 regarding workers situation and decided to dig deeper to also include tier 2 and 3. We find that to succeed in this field we need to go beyond auditing and collaborate with trade unions/ organizations and manufacturers/suppliers to raise competence and awareness among factory workers on their rights and responsibilities.</p> <p>where workers cannot voice their concerns freely and there is no worker representation, Norrøna will initiate conversations with suppliers and manufacturers, promoting the value of worker representation and communicating our requirements, vision and intent.</p>

Utførte tiltak og begrunnelse :

1) Questionnaire/Survey:

Assess current status related to Grievance mechanism, Collective bargain, Workers representation and Freedom of association and possibly to help build their capacity and improve their performance, as well as reveal potential risk. Both HIGG FSLM reports as well as available BSCI, ELEVATE, SEDEX audits will be used as relevant info when doing the risk assessment.

2) Risk assessment:

Based on the findings from the questionnaire/survey, HIGG FSLM reports and the ELEVATE audits, we will run a risk assessment to determine where to prioritize.

3) Partnering:

Detects potential system partners/trade unions/organisation where necessary. Detect if there are possibilities to cooperate across brands/industry and evaluate if possible to use the same system partner/trade unions/organisations to ensure one strong process at each facility instead of multiple routines from different brands.

4) Implementation through cooperation:

Start the cooperation with each relevant manufacturer / supplier and other relevant system partners/trade unions/organisation and stakeholders to develop action plans and/or related capacity building efforts prior to implementation to avoid unintended negative impacts, as well as get supplier buy-in for greater supplier engagement.

5) Measure:

Draws on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.

Prioritert negativ påvirkning/skade	Occupational health and safety in the supply chain
Overordnet mål :	Prevent and address risk related to health and safety in the supply chain
Status :	To address this issue we systematically inspect our factories on safety standards to ensure that the factory operation will not cause any harm to workers. We visit the factories ourselves in addition to 3rd party auditing through ELEVATE.
Mål i rapporteringsaret :	During Covid, there has been limited access to inspect our production facilities from both Norrøna directly or through auditors. This is part of the reason why it is so important to amplify workers' voices through a 3rd party grievance mechanism as described before when the outside world can not inspect and audit the production facilities. Training of health and safety is also of major importance across all levels in the organisation.

Uførte tiltak og begrunnelse :

- 1) We have further increased our requirements for health and safety through our 3rd party auditor ELEVATE
- 2) as well as training our employees and improving our on site checklist used by Norrøna employees during factory visits.

Prioritert negativ påvirkning/skade	Decent work for migrant workers
Overordnet mål :	Prevent and address risk of exploitation of migrant workers, and facilitate responsible integration of migrant workers
Status :	<p>We have identified migrant workers as a particularly vulnerable group in regions in parts of our supply chain. This is related both to international migrants and domestic migrants. The risk has especially been identified in India and China but is also applicable for other regions.</p> <p>The issue is especially related to Code of Conduct clauses "Forced Labour", "Discrimination", "Regular Employment". However the issue also connects to most other clauses related to decent work.</p>
Mål i rapporteringsaret :	Norrøna will continue to promote and select feed-stock with certifications that support minority and migrant workers such as FSC and GOTS as an example. These certifications set standard requirements concerning working and social conditions that are equivalent to key norms of the International Labour Organisation (ILO), United Nations Guiding Principles on Business and Human Rights (UNGPs) and Organization for Economic Cooperation and Development (OECD).

Uførte tiltak og begrunnelse :

We continuously map our supply chain for migrant workers. We will update our policy on migrant labor based on our risk assessment and the increasing focus on this area. The policy will include details on our approach to the issue and operational procedures if we identify cases where migrant workers are involved in our supply chain. The policy will be published on our website.

Norrøna will engage and initiate cooperation with relevant organisations to extend the internal and external training. We will continue to build knowledge and experience on this issue and participate in forums to exchange information across organizations and stakeholders to advance on issues related to decent work for migrant workers, including ILO, UNHCR, UNGP, OECD, multi-stakeholder organizations and industry peers.

Prioritert negativ påvirkning/skade	Excessive working hours in the supply chain
Overordnet mål :	Work to prevent and address excessive working hours in the supply chain.
Status :	Norrøna had goals in place since 2014 in relation to production produced during the low season. The result for 2021 was 41% off-peak production, a further increase of 7% from 2020 (2020 = 34% off-peak production). The ambition is to produce a certain percentage of goods outside the peak season to reduce the pressure on the factories, reduce overtime, ensure stable work throughout the year and provide predictability to factories and their workers.
Mål i rapporteringsaret :	<p>We are aware of excessive overtime as a risk in our supply chain. The risk of excessive working hours has especially been identified in China during 2021. The power supply restrictions put forward by the Chinese government throughout the year did most likely affect working hours additionally. Factories in certain provinces/regions were forced to stop production 1-2 days per week in periods, to reduce electricity use.</p> <p>Due to this, Norrøna have discussed the issue on a regular basis with our manufacturers and suppliers to remediate the pressure as much as possible by moving deliveries and adjusting orders.</p>

Uførte tiltak og begrunnelse :

Norrøna has and will continue to focus on close dialogue with all our suppliers and manufacturers to gain the best possible production cycles and predictability per season. Long and reliable partnership also supports honest, constructive and open dialogues.

- 1) Assess factories policy on the use of overtime.
- 2) Examine seasonal and departmental peaks in workload and production in cooperation with the supplier and manufacturer.
- 3) Further improve our internal purchasing practices to ensure a constructive spread of capacity throughout the year.

Prioritert negativ påvirkning/skade	Modern slavery in the supply chain
Overordnet mål :	Prevent and address risks of modern slavery in our value chain.
Status :	We are aware of the risk of forced labour and modern slavery in regions where we have supply chains. The risk has been identified through assessments, and dialogue with relevant NGO's. The risk has especially been identified in China and India. The issue is related to Code of Conduct clauses "Forced Labour" and "Child Labour".
Mål i rapporteringsaret :	Address forced labour and modern slavery, in all forms, throughout Norrønas supply chains, with specific focus on migrant workers, minorities and other vulnerable groups.

Utforte tiltak og begrunnelse :

- 1) Develop modern slavery policy and in a greater extend include it into our Code of Conduct.
- 2) Amend our Code of Conduct and implement it towards all our suppliers and manufacturers
- 3) Both Modern Slavery Policy and amended CoC to be translated to relevant languages.

Prioritert negativ påvirkning/skade	Decent wages in the supply chain
Overordnet mål :	Contribute to achieve living wages in our value chain
Status :	We are aware of the risk of infringement on living wages in the markets where we source from. The risk is relevant in all of the countries listed. This is an issue that requires industry collaboration and the responsibility is shared with all international buyers. Providing living wages to factory workers in production countries cannot be solved by auditing factories for compliance alone. We also need to assess our internal purchasing practices.
Mål i rapporteringsaret :	Ensuring a living wage is an essential aspect of decent work and is defined by “the wage needed to provide the minimum income necessary to pay for basic needs based on the cost of living in a specific community”. For many workers, a job does not provide a way out of poverty for them and their families. The right to a fair wage is a human right. Article seven of the UN Convention on Economic, Social and Cultural Rights states that everyone has the right to a just and favourable working conditions and to ensure that all workers have a fair wage and a decent living for themselves and their families.

Utforte tiltak og begrunnelse :

- 1) Wage status is assessed in detail for all of our cooperating factories. Gaps in legal wage compliance are addressed and handled together with affected stakeholders.
- 2) Use our leverage as a customer and long term partner to educate and amplify our policy related to living wages.
- 3) Ensure Norrønas purchasing practices are not preventing living wages in our value chain.

Prioritert negativ påvirkning/skade	Animal welfare
Overordnet mål :	<p>Ensure that animals in our supply chain are treated humanely according to the five freedoms; Freedom from hunger and thirst, Freedom from discomfort, Freedom from pain, injury or disease, Freedom to express normal behavior, and Freedom from fear and distress.</p> <p>All materials initiating from animals must be a by-product from other industries.</p>
Status :	In addition to conventional wool supply from New Zealand, Australia, South Africa and South America, Norrøna is exploring whether to use Norwegian wool as well as Spanish wool in parts of our collection going forward.
Mål i rapporteringsaret :	As animals have no voice in terms of their well-being, we see it as our obligation to ensure that all of our animal products originate from animals that are treated well and that the process of attaining the products is done without causing any harm.

Utforte tiltak og begrunnelse :

Wool:

The wool we use comes from sheep that are non-mulesed and traceable. All of our wool is either 3rd party verified & traceable or Responsible Wool Standard (RWS) certified. RWS is still a new certification, so some of our suppliers are still in the verification process, but we plan to have 100% of our wool RWS certified or reprocessed. Norrøna also uses reprocessed wool in a few select products, and by doing this we further reduce the stress on animals and nature

Down:

Norrøna only uses down that is Responsible Down Standard (RDS) certified which ensures that down and feathers come from animals that have not been subjected to an unnecessary harm. All down in our supply chain comes from geese and ducks that are bred for food and none are force feed.

Leather:

In some of our products we use leather (goat and sheep leather). We have chosen to work with Pittards as they have good systems to ensure a humane treatment of the animals, and sustainable treatment methods for the leather. Our sheep and goat leather are originated from South Africa and middle east.

Fur:

As part of our animal welfare commitment, we do not source fur.

Prioritert negativ påvirkning/skade	Water use in the supply chain
Overordnet mål :	Reduce water usage in production
Status :	Project established
Mål i rapporteringsaret :	We know that the dye method has a significant impact on the material carbon footprint. We plan to research and reach out to new emerging dye technologies that can significantly reduce the carbon emissions of our products. Of significant interest are new water-less dye methods that are not yet commercially available. We are currently researching to find partners to reduce the carbon impact of coloring our products for the different fiber types. By using bluesign verified partners, more than 80% of our materials are bluesign certified. The bluesign facilities are audited and taught how to reduce water usage as well as improve water quality of the water output.

Utforte tiltak og begrunnelse :

After researching the different emerging dye methods that reduce the carbon emissions and water usage on coloring and placing finishes on our materials, we want to pilot best in class solutions for the different fiber categories. In this process we will work with innovators and test how the various dye technologies color our materials, then both laboratory test, wash test, test production applications and wear test to ensure that the most promising dye technology is also fit for use.

Prioritert negativ påvirkning/skade	Greenhouse Gas Emission (Scope 1-3 emission)
Overordnet mål :	100% carbon neutral company by 2029
Status :	In 2020 Norrøna calculated our Scope 1, 2 and 3 greenhouse gas emissions for the first time. We are using this information to set up a coordinated project group consisting of all top management. Every department leader will have specific KPI's supporting sub goals to move Norrøna towards becoming a carbon zero company by 2029. Through this project plan, every department and all employees should be directly involved in the reduction of our company's scope 1, 2 and 3 emissions.
Mål i rapporteringsaret :	All teams within R&D and Supply Chain will dedicate additional time to participating in and contributing to external working groups, start-ups and new technology to generate ideas and samples that can be used in our collections without compromising on durability, design, or function.

Utforte tiltak og begrunnelse :

Norrøna is a member of the Swedish Textile Initiative for Climate Action (STICA) where we measure our Scope 1 - 3 emissions. The 2020 result was finalized december 2021 and shows 94% accuracy of the values measured.

Norrøna continued its partnership with Fashion For Good and continues to work with innovative startups to help transform the textile industry.

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. We track our fiber use through the Textile Exchange Corporate Fiber & Material Benchmarking, and are piloting the Biodiversity Benchmark. In addition we are on the advisory committee for the new Textile Exchange Biodiversity Benchmark.

In order to support the UN Sustainable Development Goal nr.13 which is to "Take urgent action to combat climate change and its impacts", Norrøna has set a goal of being carbon neutral by 2029. Our ultimate goal is to create carbon negative products. In order to achieve this goal, we must research, test and develop ways to reduce and eventually invert methane and/or the CO2 output of our product development, manufacturing, distribution, use and end of life to create a carbon neutral supply chain. In this project, Norrøna will find and work with potential partners that can help make carbon negative fibers from both natural and synthetic sources. We will also experiment with construction techniques, transportation and factory locations to reduce and eventually eliminate the use of carbon in our products.

Prioritert negativ påvirkning/skade	Microfiber pollution
Overordnet mål :	Reduce the risk plastic microfibers pose to marine environments
Status :	Our fleece garments are one source of these microfibers, but we also know that premium, high-end fleece products, such as Norrøna's, release far less microfibers than low-quality fleece garments. But this is no excuse, and we are working to find solutions to this issue.
Mål i rapporteringsaret :	<p>Norrøna is concerned about the issues plastic microfibers pose to marine environments (and also in fertilized fields due to the use of sludge from water treatment plants), and we acknowledge that the washing of garments made of synthetic fibers is a contributor to this issue. We are also working to find good short term and long term solutions.</p> <p>Studies have revealed when washing garments made from synthetic fibers plastic microfibers are released, or shed. These fibers are smaller than 5 mm in length, and many of them are not captured in water treatment plans and they find their way into the oceans where they harm marine wildlife.</p> <p>Research done in Norway suggests that the washing of synthetic garments is the fifth-largest contributor to these emissions with 110 tons per year (wear and tear of car tires are the biggest with 2250 metric tons every year in Norway, paint for boats and ships is second (650 metric tons), and plastic production is third (400 metric tons). You can read about the Norwegian Environment Agency, its research project, and its findings on our website (https://www.norrona.com/en-GB/about-norrona/responsibility/microfibers/).</p>

Utforte tiltak og begrunnelse :

- 1) We are working with the German non-profit Guppy Friend, and sell their washing bags without profit as we found it traps the plastic within the bag. After washing you should remove the plastic fibers and recycle them with the rest of your plastic. This represents a short-term solution
- 2) Norrøna has also contributed to, and is a member of the "Microfiber Consortium" started by the European Outdoor Group and Leeds University. This consortium will consider key questions regarding microfibers, and contribute with more research on how to solve this issue.
- 3) From a long-term standpoint, we will work with our fabric suppliers to make more durable fabrics, and consider alternative and new construction. Norrøna also has a large collection of wool garments, both base layer and insulation layers, and wool is a natural fiber that should be far less harmful if it finds its way to the ocean.
- 4) For the products that are prone to a higher micro fiber shedding, Norrøna includes a sticker to inform our end consumer how to wash and tumble dry the garment to prevent the fiber release into the environment.

Prioritert negativ påvirkning/skade	Responsible sourcing of wood fibers (forestry)
Overordnet mål :	Reduce the amount of virgin and non-traceable feedstock in our cardboard packaging as well as promote decent working conditions.
Status :	80% of all cardboard packaging have switched from virgin to recycled and FSC certified feedstock during 2021.
Mål i rapporteringsaret :	Change from virgin and non-traceable cardboard packaging to recycled and FSC certified. It is still some producers left to switch to nominated quality due to specific measurements etc. These are in progress. The supply of recycled wood pulp have been reduced during Covid and is resulting in higher prices and longer lead times. Still our ambition is the same.

Utførte tiltak og begrunnelse :

The switch from virgin to recycled and traceable quality did not only result in a change to a more environmental and welfare based alternative. By consolidating across manufacturers, we gained insight, knowledge of the industry as well as ensured more rational handling for both our partners and internally in Norrøna.

Prioritert negativ påvirkning/skade	Plastic / polymers
Overordnet mål :	No single use plastic anywhere along our value chain by 2029
Status :	We changed from "virgin polybags" to "100% recycled post consumer polybags" on 80% of all our styles in 2021
Mål i rapporteringsaret :	<p>We work according to the following principles:</p> <p>All plastic used should be made from feed-stocks that can be:</p> <ul style="list-style-type: none"> - Recycled - Decomposed <p>We evaluate shipping and packaging procedures for each of our suppliers based on below principles:</p> <ul style="list-style-type: none"> - Establish plan with all suppliers to decrease or eliminate plastic use on shipping materials. - Specify all plastic must come from a recycled source and be recyclable. - Any plastic sent to factories must have a plan for collection and recycling. - Any plastic sent to our warehouse must have a plan to be collected and recycled before shipping to retailers or end-consumers.

Utforte tiltak og begrunnelse :

- 1) Further change the use of the remaining 20% polybags by exploring if to change from one polybag per piece, or to use one assortment polybag per export carton to further reduce the plastic use.
- 2) Develop a routine of collecting and returning our polybags from warehouse and own stores to recycling deposit for further use.
- 3) Evaluate alternatives to LDPE polybags

Tverrgående tiltak for å håndtere negativ påvirkning/skade:

Beskriv virksomhetens tverrgående tiltak for å stanse, forebygge eller redusere negativ påvirkning/ skade på mennesker, samfunn og miljø i leverandørkjeden

3.B.1 Reduksjon av miljø- og klimafotavtrykk

Norrøna is a member of the Sustainable Apparel Coalition (SAC) and has been on advisory committees of The Brand & Retail Module (BRM) and Transparency. In 2020 we were one of a few companies to complete and fully verify our BRM through a 3rd party audit.

We also track our fiber use through the Textile Exchange Corporate Fiber & Material Benchmark, and are piloting the Biodiversity Benchmark. In addition we are on the advisory committee for the new Textile Exchange Biodiversity Benchmark.

Norrøna is also a member of the Swedish Textile Initiative for Climate Action (STICA) where in 2019 we measured our Scope 1 & 2 emissions and publishing our Scope 3 carbon emission (2020) with 94% actual data. (finished December 2021).

Norrøna continued its partnership with Fashion For Good and continues to work with innovative startups to help transform the textile industry.

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 Tilpasning av egen innkjøpspraksis (sourcing)

We honor our commitment to provide accurate information about style construction and materials. 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 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.

Despite the great uncertainty our industry was facing in the beginning of the pandemic, Norrøna worked hard to remain business-as-usual towards our business relations. In times of uncertainty, we know predictability is a valuable factor, so we focused on being flexible on both sides of the value chain.

3.B.3 Valg av produkter og sertifiseringer

Our design philosophy is "Loaded minimalism". We make products as clean as possible with all critical details, to ensure long lasting design, quality, function, as sustainable as possible. Norrøna use fabrics that meet high environmental and social, human and animal welfare standards that can be verified by 3rd parties (bluesign®, GOTS, Control Union, RDS, RWS, Oeko-tex®, FSC, GRS). We design for long term durability and are below referring to some of the fibers we purchase. The percentage are listed by weight of the fiber we purchase:

100% of cotton is organic (GOTS certified).

98% of our wool is traceable (our total volume is divided by 99% virgin wool, 1% reprocessed wool).

100% of our down is RDS certified.

70,4% of DWR that is FC free.

98,7% of materials are 3rd party certified (bluesign or similar).

82% of the polyester we use is recycled.

84% of the polyamide we use is recycled.

80% of the cardboard used in our export cartons are FSC certified and with 70-90% recycled content.

80% of the polybags used in our collection is 100% recycled (post consumer) and GRS certified.

3.B.4 Støtte aktivt opp om fri fagorganisering og kollektive forhandlinger, eller der lovverket ikke tillater dette, støtte aktivt opp om andre former for demokratisk valgt arbeiderrepresentasjon

In 2021 Norrøna started to assess current status related to Grievance mechanism, Collective bargain, Workers representation and Freedom of association through meetings directly and through a questionnaire related to these topics. This to put focus on the term as well as use our leverage as customer to show our principles and standards on this matters. The aim is to help build their capacity and improve their performance, as well as reveal potential risk.

3.B.5 Bidrag til utvikling, kompetanseheving og opplæring internt og av leverandører og arbeidere i leverandørkjeden

Both HIGG FSLM and the Elevate audits will be used as relevant info when doing the risk assessment. Based on the findings from direct meetings, Norrønas own questionnaire/survey, HIGG FSLM reports and the Elevate audits, we will run a risk assessment to determine where to prioritize across tier 1-3. The next step is to detects potential system partners, trade unions and relevant stakeholders where necessary. Detect if there are possibilities to cooperate across brands/industry and evaluate if possible to use the same system partner /trade union to ensure one strong process at each facility instead of multiple routines from different brands if that is rational.

Norrøna finds it important that this process are based upon cooperation with each relevant manufacturer / supplier / workers and other relevant system partners and stakeholders to develop action plans and/or related capacity building efforts prior to implementation to avoid unintended negative impacts, as well as get supplier buy-in for greater supplier engagement.

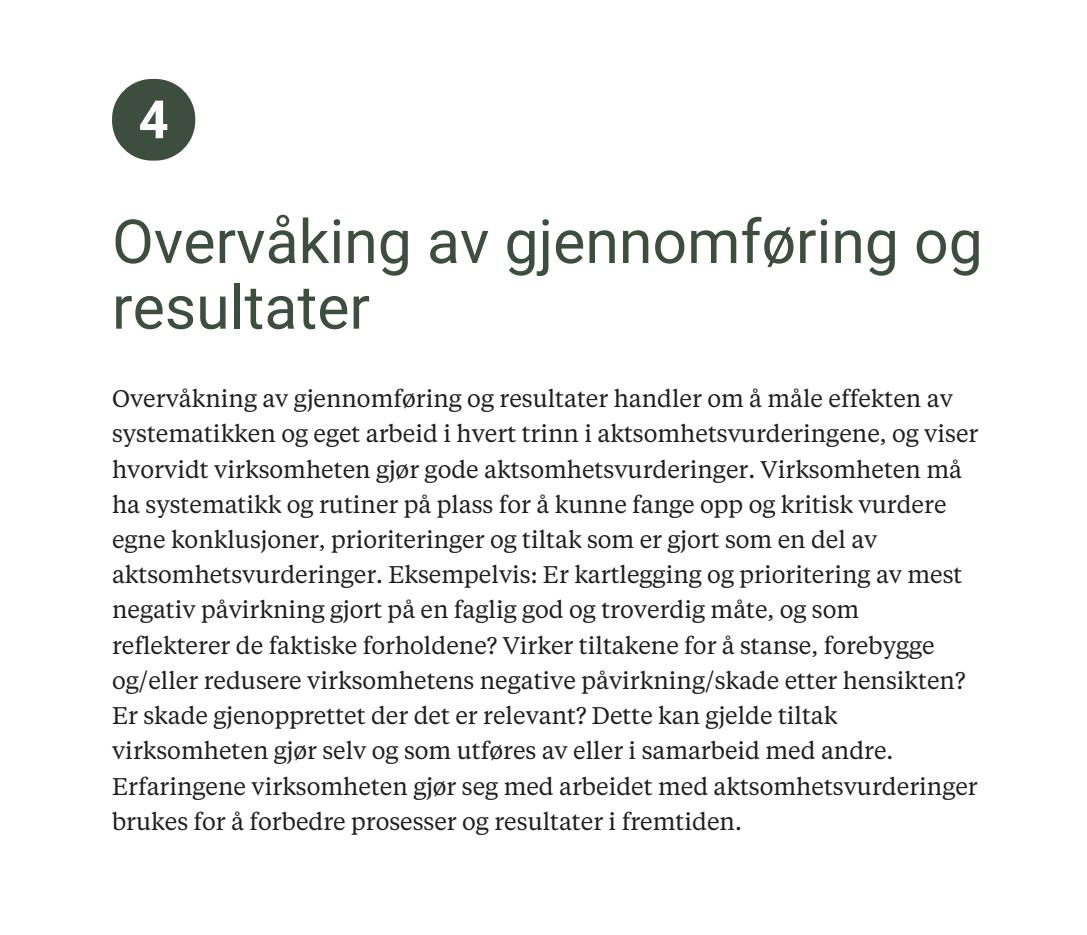
3.B.6 Annen relevant informasjon for hvordan dere arbeider med å redusere, forhindre og håndtere negativ innvirkning på mennesker, samfunn og miljø.

Norrøna had goals in place since 2014 in relation to production produced during low season. The result for 2021 was 41% off-peak production, a further increase of 7% from 2020 (2020 = 34% off-peak production). The ambition is to produce a certain percentage of goods outside the peak season to reduce the pressure on the factories, reduce overtime ensure stable work throughout the year and provide predictability to factories and their workers. Norrøna have focused on close dialogue with all our suppliers and manufacturers to gain the best possible production cycles per season. Long and reliable partnership also supports honest and open dialogues. When and if our partners are in a cash flow breach, we support by pre-payment or simply purchase the materials at our side to ease the pressure at their side.

4

Overvåking av gjennomføring og resultater

Overvåkning av gjennomføring og resultater handler om å måle effekten av systematikken og eget arbeid i hvert trinn i aktsomhetsvurderingene, og viser hvorvidt virksomheten gjør gode aktsomhetsvurderinger. Virksomheten må ha systematikk og rutiner på plass for å kunne fange opp og kritisk vurdere egne konklusjoner, prioriteringer og tiltak som er gjort som en del av aktsomhetsvurderinger. Eksempelvis: Er kartlegging og prioritering av mest negativ påvirkning gjort på en faglig god og troverdig måte, og som reflekterer de faktiske forholdene? Virker tiltakene for å stanse, forebygge og/eller redusere virksomhetens negative påvirkning/skade etter hensikten? Er skade gjenopprettet der det er relevant? Dette kan gjelde tiltak virksomheten gjør selv og som utføres av eller i samarbeid med andre. Erfaringene virksomheten gjør seg med arbeidet med aktsomhetsvurderinger brukes for å forbedre prosesser og resultater i fremtiden.



4.A Overvåkning og evaluering

4.A.1 Beskriv hvem som har ansvar for å overvåke effekten av tiltak iverksatt for å håndtere virksomhetens vesentlige risiko for skade/negativ påvirkning på mennesker, samfunn og miljø, og hvordan overvåkingen gjennomføres i praksis

Activities and performance on social issues are tracked through 3rd party collaboration (ELEVATE) and followed up by CSR responsible at Norrøna as well as through each member in RD&D department through on site visits and dialogue with our manufacturers and suppliers. We have internal information meeting about our responsible business policies and CSR policies to make sure all employees work and act according to these standards.

Through annual audits and follow up audits of our factories 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.

In addition we ask each supplier and manufacturer to submit their answers on our questionnaire related to social and human management at their facility. Below is the extraction of our cover letter sent to our partners relating to this questionnaire:

"Norrønas Sport AS ambition is to be a leader in environmental and social responsibility and push our industry forward. Reducing harm to people, animals and the planet is not enough to improve the global crisis. We are committed to measurable improvements that will reverse the damage and suffering our industry has caused. Norrøna Sport AS commits to working actively with due diligence based on the OECD Responsible Business Conduct guidance.

Aligning with the UN Guiding Principles on Business and Human Rights, we commit that people have an inalienable right to be treated with dignity, human rights are inherent in all human beings, whatever their nationality, place of residence, sex, national or ethnic origin, color, religion, language, or any other status, every individual is entitled to enjoy human rights without discrimination and these rights are all interrelated, interdependent and indivisible.

The purpose of this questionnaire is to assess the current status of each facility in our value chain, to ensure compliance with our Code of Conduct (CoC) and policy for Responsible Business Conduct (RBC) and to ensure that our actions are not causing or contributing to adverse impacts on people, the environment and society, and to seek to prevent adverse impacts directly linked to operations, products or services through business relationships.

In order to assess the status in regards to both Grievance mechanisms, Collective bargaining, Workers representation and Freedom of association at your facilities, Norrøna kindly ask you to do the following questionnaire.

If you have already done the HIGG facility Social and Labour Module (FSLM) for 2021, pls share the report with Norrøna and you will only need to answer up to 1/3 of the total questions in this assessment.

The Goal:

Mitigate harm and improve the social/human rights performance in Norrønas Sport AS supply chain. By conducting this questionnaire, Norrøna will in turn analyse the findings and together with the relevant partner, evaluate if there are improvements we can work on together, to improve processes in regards to Grievance mechanisms, Freedom of association, Collective bargaining and Workers representation at your facilities".

4.A.2 Beskriv hvordan dere sannsynliggjør at virksomhetens tiltak for å identifisere, forebygge og redusere negativ påvirkning faktisk fungerer

Both Ethical Trade Initiative, ELEVATE and TUV (as our Higg BRM verifier) are important stakeholders in the work of improving our knowledge and work related to social and human management at site. Through our follow up audits at our factories, we are able to identify and prevent repeat of weaknesses and to check that actual improvements have been done at factories.

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

5

Kommunikasjon av hvordan negativ påvirkning/skade er håndtert

Forutsetningen for god ekstern kommunikasjon om arbeidet knyttet til virksomheters aktksamhetsvurderinger for bærekraftig forretningspraksis er at den bygger på konkrete aktiviteter og resultater. Virksomheter skal kommunisere offentlig om relevante styringsdokumentet knyttet til aktksamhetsvurderinger, eksempelvis policyer, retningslinjer, prosesser og aktiviteter knyttet til å identifisere og håndtere bedriftens faktiske og potensielle negative påvirkning på mennesker, samfunn og miljø. Kommunikasjonen bør inkludere hvordan risikoen er avdekket og håndtert, samt hvilke effekter man oppnådde av tiltakene/aktivitetene. Etter åpenhetslovens §4 skal virksomheter som er omfattet årlig offentliggjøre en redegjørelse for aktksamhetsvurderinger.



5.A. Kommunisere eksternt

5.A.1 Beskriv hvordan virksomheten kommuniserer med berørte interesser om håndteringen av negativ påvirkning/skade

Norrøna logs salient issues through 3rd party audits and factory visits and meetings from our own employees. Workers are included anonymously in the audit check, in groups and separately.

We promote and seek open dialogue. We aim to communicate with all affected stakeholders when specific cases or issues arise in the production of our products. We need to seek dialogue with local NGO's, partnering organizations, trade unions, factory management, worker representatives and factory workers. When we are alerted to a case in one of our factories, we do onsite and offsite investigations, and seek to identify root causes of the incident by communicating with all parties involved.

5.A.2 Beskriv hvordan virksomheten kommuniserer offentlig rundt eget arbeid med kartlegging og håndtering av negativ påvirkning/skade

Through our RBC, CoC and under the chapter "our responsibility" at our web page, 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.

Extracts from our RBC published on our Web page:

"Norrøna commits to transparently use a verified form of internal risk assessment through the Higg Index Brand & Retail Module to continuously improve our social and environmental strategies, processes and actions.

When involvement in adverse impacts cannot be avoided, we will use due diligence to mitigate them, prevent their recurrence and, where relevant, remediate them.

Norrøna Sport supports The UN Sustainable Development Goals (SDGs) which recognize that eradicating poverty in all its forms and dimensions, including extreme poverty, is one of the greatest global challenges and an indispensable requirement for sustainable development.

Norrøna Sport AS worked actively with the Sustainable Development Goals when defining our 2029 Corporate Road Map. This Road Map will guide processes and actions both internally and through our working partners to help improve life for people, animals and our planet.

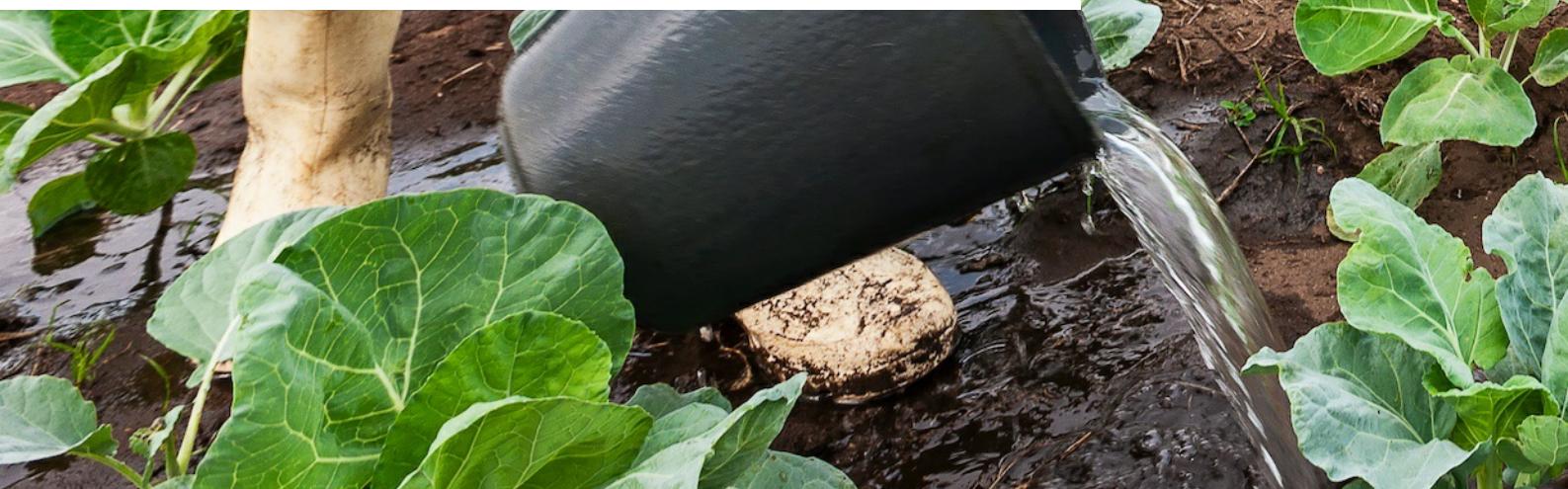
As with our previous 2020 Road Map we will have an annual meeting with all our key partners to go through the commitments and appraise our performance together towards achieving the 2029 goals. This meeting will include successes, challenges and action points for the path forward. In addition, Norrøna is committed to transparent measurements and participation with the Ethical Trade Initiative, Fair Labor Association or FairWear as part our due diligence towards measurable improvements"



6

Gjenoppretting der dette er påkrevd

Når en virksomhet har identifisert at den har forårsaket eller bidratt til skade på mennesker eller samfunn, håndteres skaden gjennom å sørge for gjenoppretting, eller samarbeide om gjenoppretting. Gjenoppretting kan innebære økonomisk erstatning eller kompensasjon, en offentlig beklagelse, eller at skaden på annet vis rettes opp. Det handler også om å sørge for tilgang til klageordninger for arbeidere og/eller lokalsamfunn slik at de kan få sin sak hørt og håndtert.



6.A Gjenoppretting

6.A.1 Beskriv virksomhetens policy for gjenoppretting ved negative konsekvenser for mennesker, samfunn og miljø

Once it is identified that Norrøna has caused or contributed to negative impact on people, society or the environment, Norrøna must provide for, or cooperate in, remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. This is further described in our Grievance mechanism procedure.

Some breaches may be more severe than others and require a proactive and systemic approach. A key part of our due diligence process is remediation support. We commit to follow up any situation closely and provide assistance where possible to resolve any case that may occur. If remediation support is necessary, we aim to identify (in cooperation with relevant stakeholders) the most appropriate way of addressing the issue that has been identified.

Beskriv eventuelle tilfeller av gjenoppretting i rapporteringsperioden

Through cooperation across our industry and through relevant stakeholders, we were informed that one of our manufacturers did not pay their workers salary through 1,5 month during spring and summer 2021. Norrøna immediately arranged meetings with the top management and owner to address the issue as well as get their side of the story. The Owner admitted there were cash flow limitations during Covid, which affected the workers. Through open and honest communication, we supported the situation by pre-paying our orders 4-6 months in advance with the prerequisite that Norrøna where to be presented the payroll receipts and documentation that the situation where remediated.

Furthermore, we have established a project to closely monitor, train and support the manufacturer and its workers to prevent this from happening again.

6.B Tilgang til mekanismer for gjenoppretting

6.B.1 Beskriv hva selskapet gjør for å sikre at påvirkede arbeidere og lokalsamfunn har tilgang til effektive mekanismer for gjenoppretting, når det er aktuelt

All production facilities/factories we cooperate with are required to develop internal complaints and grievances systems in order to enable workers to raise their issues to assigned persons/committees. The factories are required to have a system in place to ensure the issues raised are resolved in a fair and efficient manner. Information about the complaints/grievance mechanism and the process for addressing received complaints/grievances shall be available to all workers.

Regardless of internal routines, COVID-19 highlighted the need for remote solutions to workforce management in order to amplify workers voice. Norrøna fears that the lack of inspection from the outside world are reducing the social and human management for the workers and are working on ensuring this to be in place even when inspections and visits are not possible. Norrøna have the ambition to ensure the workers an easy and anonymous channel to canalize their concern, if necessary outside their own organisation.

To prevent multiple solutions w/in the same facility, Norrøna are currently assessing if there are possibilities to cooperate across brands/industry to ensure one strong process at each facility instead of multiple routines from different brands. We fear this will dilute the importance of an grievance mechanism and make it hard to follow up for the individual value chain partner.

Kontaktinformasjon:

Norrøna Sport AS
Kjersti Glosli, Head of sourcing, costing and quality
kjersti.glosli@norrona.no