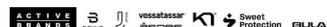




Report on

Responsible Business Conduct 2021

for Active Brands AS



SUSTAINABLE DEVELOPMENT GOALS



To Readers Of The Report

Business has a major impact on people, society and the environment. It can make positive contributions to development but can also have negative impacts and cause harm. Companies therefore play a key role in achieving the UN's Sustainable Development Goals (SDGs). The Norwegian government expects all companies, regardless of size, to map, prevent, limit and communicate on how they handle risks for negative impact, as well as remediation mechanisms in cases of harm on people, societies or the environment. This is known as due diligence and applies to the private and public sector as well as organizations. As a consequence of the recently passed Transparency Act (åpenhetsloven), all larger corporations are obliged by law to conduct due diligence and show transparency in this work from 1 July 2022.

Members of Ethical Trade Norway have committed themselves to work with mandatory due diligence for responsible business practice. The foundation for this work is Ethical Trade Norway's Declaration of Principles (code of conduct) which covers the areas decent work, human rights, environment/climate, anti-corruption and animal welfare.

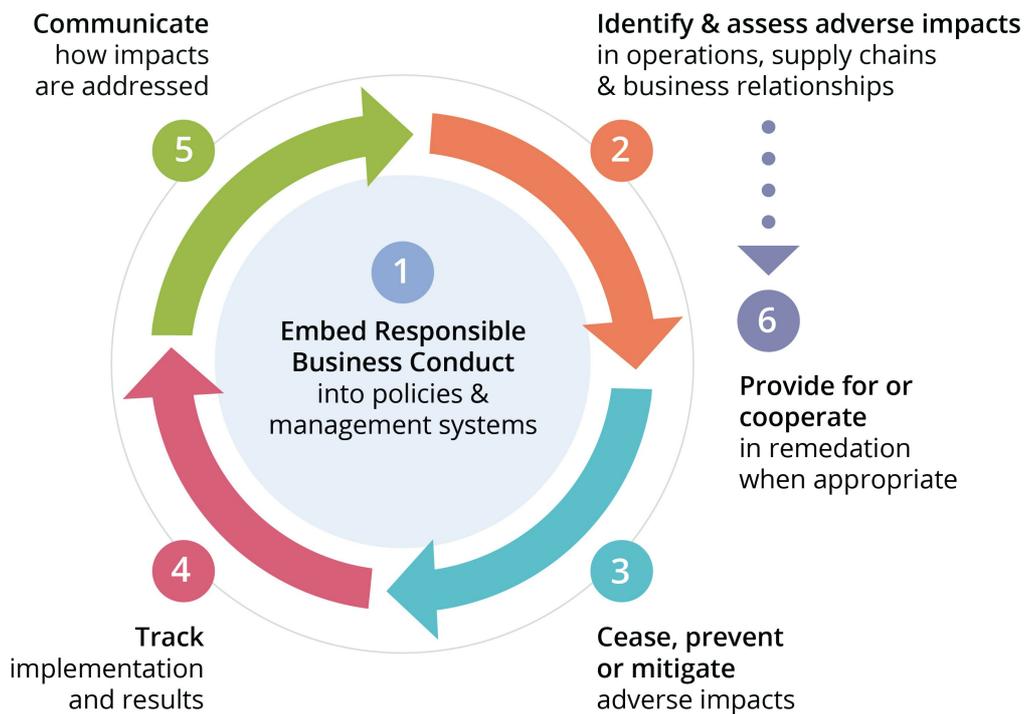
The reporting template is designed for the company to show transparency in their work on responsible and sustainable business practice, as described in the UN Guiding Principles (UNGP) and the OECD Guidelines for Multinational enterprises. The report should show how the company works with due diligence, and describe what challenges the company faces, which measures are being implemented to handle these challenges, as well as progress and results. All member reports are publicly available on Ethical Trade Norway's website.

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

2021 was a year of recovery for the sporting goods industry and Active Brands managed to deliver great financial results. With the pandemic and affiliated supply chain challenges still ongoing, but at the same time with consumers doing more and more sports out in nature. During 2021 Active Brands has implemented a digital solution for employee feedback, called Winningtemp, and this has resulted in multiple actions for improved employee satisfaction.

Active Brands has through the year defined a new 4-year strategy, where sustainability is one of five key pillars, and we are on a path to become more and more KPI oriented in our sustainable efforts. While we continue to focus on sustainability especially in the areas of increased usage of recyclable materials, designing of durable and long-lasting products and developing new ways of usage of waste material, and aiming at reducing our CO2 emissions and keeping focus on the long-term goal to become carbon neutral.

While the aforementioned strategic changes are a great step forwards for Active Brands and its path towards sustainability, the results will not be visible right away. Strategy is followed by policy and results only follow the implementation of the policy. Therefore, on a surface level, the report over 2021 is a relatively minor change from 2020. With a new ESG manager in place in April 2022, the policy deployment will pick up speed and results should be visible from later in 2022.

Øystein Bråta
COO

Company information and business context

Key company information

Company name

Active Brands AS

Head office address

Kabelgaten 6, 0580 Oslo, Norway

Main brands, products and services offered by the company

Kari Traa, Dæhlie, Sweet Protection, Johaug, Bula

Description of company structure

Active Brands is a leading supplier of premium brand goods to sports retail in the Nordic region, following an incubator model. The brand portfolio consists currently of Kari Traa (women's sportswear), Bula (accessories), Vossatassar (kids wear), Johaug (women's sportswear), Åsnes (skis), Dæhlie (running and cross country ski wear), Sweet Protection (helmets, eyewear, protection, and apparel).

The company is a non-subsidiary, independent company with offices in Oslo, Voss and Trysil in Norway, Shanghai in China, sales offices in The USA, Germany, Sweden, Denmark, and Finland. Design and development of all products takes place in Norway, production is handled by the Shanghai office.

The management team consists of 5 members: CEO, CFO, and COO plus two brand directors. The brands do their own collection design, marketing, and sales and report on this through the brand directors. All shared functions, ranging from IT to customer service and from logistics to purchasing, are managed functionally and report to the COO.

Turnover in reporting year (NOK)

1 366 078 000

Number of employees

256

Major changes to the company since last reporting period

No major organizational changes in 2021.

Contact person for the report (name and title)

Rebecca Johansson

Email for contact person for the report
rebecca.johansson@activebrands.com

Supply chain information

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

Most of Active Brand's first-tier finished product suppliers are located in Asia, with whom Active Brands has long-term collaboration. All of Active Brands' products are designed and developed together with its suppliers.

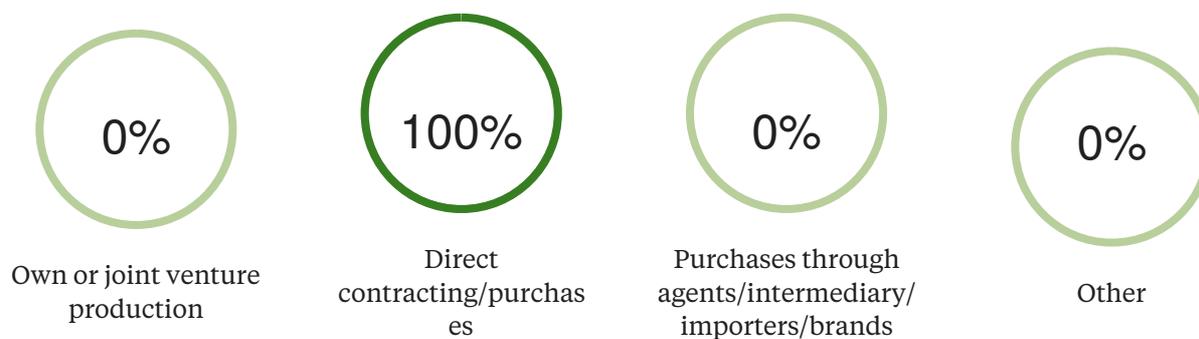
Number of suppliers with which the company had commercial relations in the reporting year

51

Comments

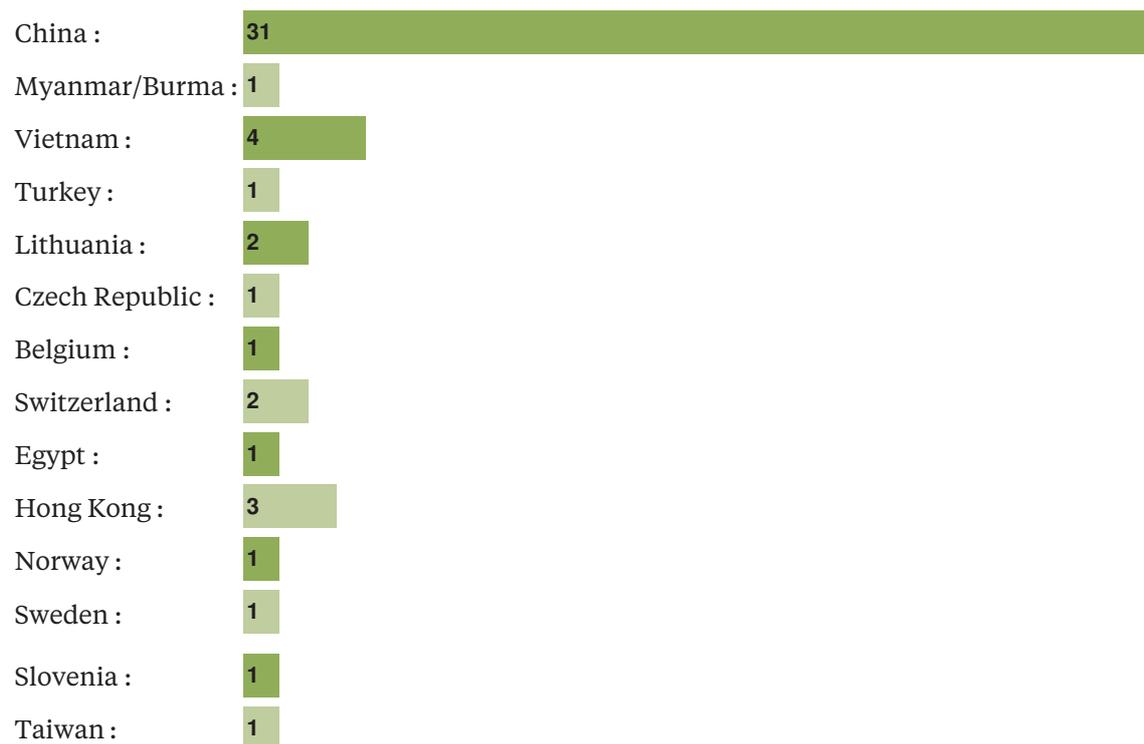
in 2021 we scaled down on certain categories and have 3 fewer supplier this reporting year vs 2020

Approximate ratio by sourcing options



No own production, no agencies or importers in between - Active Brands buys everything through a direct relationship with our first-tier suppliers.

List of first tier suppliers (producers) by country



Minor changes, some moved or split factories into different countries. Overall, our supplier base is consistent and relationships are both strong and long-term.

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

Number of workers

51 000

Number of suppliers this overview is based on

51

Numbers of workers per supplier (calculated average)

1000

Comments to number of workers

Based on a estimated 1000 workers from each supplier

Key inputs/raw materials and associated geographies

Wool	Australia
Technical fabrics and trims	China

Wool is our largest raw material, and we go to great lengths to ensure both sustainability and quality all the way down the supply chain.

Is the company a supplier to the public sector?

No

Goals and progress

Goals and progress for the reporting year

1

Goal: Continued focus of reduction of GHG emissions. Active Brands has set the goal of reducing its GHG emissions and carbon footprint by 50% until 2030 and 30% by 2025, versus baseline in 2019.

Status: On track - exceeding forecast for Scope 1 and 2. The consumption in scope 1&2 is pretty much flat, despite a 45% increase in revenue from 2020. In scope 3 transportation, and mostly upstream transport, we see a decrease of around 10% across the board. This is largely due to switching carriers with a better focus on emission reductions and updated lower volume packaging.

2

Goal: Continued focus on the usage of sustainable raw materials such as recycled polymers and fibers made of waste materials. Active Brands has set the goal of increasing usage of recycled polymers to 30% of its total garment production by 2025.

Status: On track - of all styles sold in 2021 19,2% was made up of at least 30% traceable recycled raw materials.

3

Goal: Continued focus of workers' conditions by assessing number of temporary workers at supplier factories. Temporary workers often lack proper insurances which must be provided for permanent employees by local governmental laws.

Status: With the surge in demand combined with the shift in the workforce as a result of Covid-19, many factories have hired extensively. This continues to be of concern and is an integral part of our supplier evaluation.

4

Goal: Increasing employee satisfaction at Active Brands is a recurring goal and for 2021, Active Brands will use and implement "WinningTemp" to help employees and leaders interact through constructive feedback and to improve open dialogue.

Status: Winningtemp was introduced in mid-2021, and we now have enough data to start drawing the first conclusions. We see an uptick in employee satisfaction to 7,6/10 from our baseline of 7,4, and the number of employees using the tool is still growing - currently at around 80%.

5

Goal: Circular business models and services is continuing to be a focus for Active Brands. The company will explore new take-back solutions, reuse and repair tools.

Status: Goals are identified, roadmap development is underway - to be accelerated when new ESG manager starts in April.

Goal for coming years

1

Products made of singular materials: 12%

2

Products made of recycled materials (>30% content): 25%

3

Repair service for 4 initial product categories.

4

Expand care instructions and encourage longer use through QR codes, labeling and information on websites.

5

Continue to measure and improve employee satisfaction. The Focus area for H1 is learning and development, as the initial data showed in 2021 that this is an area where we have room for improvement.

6

Develop a coherent ESG strategy, that aligns us as a company while allowing for targeted diversification per brand. Sweet Protection focuses more on safety, Kari Traa more on equality, etc. Once this is aligned across the brands, we will set up a comprehensive strategy and guidelines for communication, both internally and externally.



1

Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the company should have strategies and plan, as well as relevant policies* and guidelines for due diligence which are adopted by management. These should comprise the enterprise's own operations, its supply chain and other business relationships. Effective management systems for implementation are key to succeeding, and due diligence should be an integrated element in company operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the company, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed.



1.A Policy* for own business

1.A.1 Link to publicly available policy for own business

1.A.2 What does the company say publicly about its commitment to respect people, society and the environment?

- Active Brands is owned by FSN capital, and as such required to report on ESG every quarter, which FSN publishes.
 - The company's engagements are publicly available on each brand's website:
<https://www.karitraa.com/no-no/blog/about-us/environmental-social.html>
<https://www.dahlie.com/no-no/environmental-social-responsibility.html>
<https://www.sweetprotection.com/no-no/responsibility.html>
<https://www.johaug.com/no-no/blog/about-us/environmental-social-responsibility.html>
 - Strong social media presence when it comes to ESG, diversified per brand.
-

1.A.3 How has the policy/commitment been developed and how is it anchored in the company?

The ESG strategy and policies are the responsibility of the ESG manager, who is an integral part of the operations management team and reports directly to the COO. Since sustainability is one of the five main strategic pillars towards 2025, several KPIs related to ESG are both parts of the leadership team's Monthly Operating Review and of our monthly reporting package for investors & stakeholders.

1.B Organisation and internal communication

1.B.1 How is the due diligence work organised within the company, and why?

QA and ESG team are a part of Operations inside the organization (Org. Chart attached). ESG manager reports to COO who reports to the CEO of the company. ESG department is included in the Operations for being able to have direct contact and collaboration with other impacting departments such as Production, Sourcing and Logistics. The ESG department is independent from Sales, Production and Purchasing departments with good oversight into the mentioned departments, which enables the ESG department to plan and implement needed changes with regards to sustainability and social responsibility.

1.B.2 How is the significance of the company's due diligence work defined and clarified for the employees through their job description, work tasks and incentive structures?

In addition to the fact that ESG manager is a part of the Operations Management Team, she reports to the board of directors on a quarterly bases. There is also a Quality and Sustainability Work Group consisting of key functions and individuals who are working on sustainability implementation in their daily work. This group has a meeting every two weeks where the collections and product-lines are assessed based on the company's sustainability goals and routines which have been decided by the board. The Sustainability Work Group's major task is to share information and updates with the brands within the company. Regular yearly training is arranged by the ESG Manager for the entire company to inform about goals and changes in policies or regulations.

1.B.3 How does the company make sure employees have adequate competence to work on due diligence for responsible business conduct?

Besides the inhouse training held by the ESG department, different employees within different departments and brands participate in a number of outside gatherings and training regarding Sustainability and Social Responsibility.

1.C. Plans and resources

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

The company sets yearly goals for short terms ESG strategies. The short term goals are set together with operation management team and presented to the board of directors who approves and sets the budget for the short term strategy.

The board of directors steers over long term strategies set by the company. New supplier markets and assessments of them is financed by the board and assessed by the ESG manager. Long term goals such as reduction of GHG emissions, moving towards a more sustainable supply chain, promoting resource and energy efficiency are set and budgeted by the board of directors.

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

Company's management and Board of Directors are involved in every decision and strategy making process.

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

1.D.1 How does the company emphasise the importance of responsible and sustainable business conduct in its business relationships, particularly in the supply chain?

Active Brands has long term collaboration with its suppliers. The company develops critical raw materials (mostly fabrics) with its fabric suppliers with focus on sustainability, life cycle and durability. Together with fabric suppliers, Active Brands has developed a traceability scheme for wool (farm to finished product), cotton (farm to finished product) and recycled polymer (polymer supplier to finished product). The company has also worked actively to substitute conventional fabrics and replace them with Blue Signed certified fabrics, reducing the use of harmful chemicals, minimizing water waste and strengthening the working conditions for workers.

Indicator

Percentage of the company's suppliers that have accepted guidelines for suppliers



As a minimum requirement for being a supplier to Active Brands, vendors and producers must agree to to Active Brands' Code of Conduct and compliance requirements.

Percentage of suppliers in high risk supply chains that have been mapped



Active Brands maps all critical sub-suppliers. The stated percentage is an estimate for all sub-suppliers and not only critical sub-suppliers. Due to Covid-19, the number of mapped suppliers remained the same during 2021.

Percentage of the company's suppliers with whom the company has had a business relationship for more than three years



almost 80% of our suppliers have been partnered with us for 5 years or more, supplier base is very stable.

Percentage of suppliers with worker representation other than trade union



The percentage refers to the number of the company's first tier suppliers, outside Europe, who we've placed an order with, who are a member of BSCI and have been audited by a third party auditing authority. Suppliers not audited by 3rd party schemes are followed up via our internal social auditing schemes. We have a target to increase 3rd party audits by 2025 to 95%. in-person auditing has been a challenge during the last 2 years due to lock-downs.

1.E Lessons learned and changes in the reporting period

1.E.1 What lessons has the company learned during the reporting period concerning responsible business conduct, and what has changed as a result of this?

Active Brands' overall social and environmental strategy has been fully revised during 2020 with great focus on traceability of sustainable materials used in production. Accurate traceability documentation will be a beginning for achieving full transparency of Active Brands' supply chain.



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 List the company's prioritised risk of negative impact on people, society and environment.

Salient issue	Related topic	Geography
Discrimination of minorities.	Discrimination	Myanmar/Burma
Overtime in China is an issue and Active Brands is working tightly together with suppliers to minimize through better sourcing routines and long term production planning.	Working hours	China
Plastic waste in the company's packaging solutions was a major focus for Active Brands during 2019. The company managed to reduce its plastic waste by more than 70%. We continue to push, with a goal of 100% recycled polybags and 100% FSC paper packaging by 2024., as well as exploring alternative ways of packing (and not packing!) goods.	Waste	Global
Active Brands has also initiated a GHG Emissions measurement scheme. We are currently measuring the entire company's GHG emissions based on production, transportation and energy consumption. The goal is to set a Science Based Net Zero target and have it approved by latest 2023	Emission	Global
Active Brands is focused to reduce use raw materials leading to high amount of water waste. Brands usage of cotton is low and many of the collections containing cotton is made of organic cotton. The technical fabrics that are Blue Sign certified are preferred which minimizes waste of water.	Water	Global

Active Brands has some production in Myanmar. During 2018, the company received Ethical Trade's "Myanmar Roadmap, Operating in a High Risk Environment" and did a thorough assessment of the factory, ownership and the location of the factory. Active Brands also sent the factory's Chinese management team to "Myanmar,

Managing Across Cultures Workshop" held in Yangon in November 2019.

DETERMINATION OF SALIENT ISSUES

2.A.2 Describe in short the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period. Describe how information was gathered, what sources were used, and which stakeholders have been involved/consulted. Further, describe whether you have identified areas where information is lacking in order to get an overview, and how you are planning to proceed to collect more information/handle this.

The discrimination case in Myanmar has been handled by many stakeholders. Customers, owners, board of directors, Norwegian governmental input and Ethical Trade policies and recommendations.

Overtime in China is a known issue due to many different regulation within the country and the number of working days in a week. Many provinces in China still have 6 working days and 1 weekend free day. This leads to a working week of 48 hours in some cases. The governmental regulation of maximum allowed 6 hours of overtime becomes tricky to handle.

The public and company's outrage over excessive usage of plastic in packaging and the company's own goals to implement sustainable solutions determined the change in our packaging solutions.

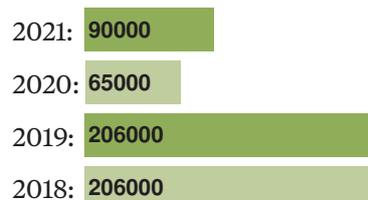
Indicator

Percentage of suppliers that measure their greenhouse gas emissions



We see an uptick in awareness of sustainability, and more suppliers are putting this on their agenda. In part because of pull factors such as Active Brands & other customers who demand this more often.

Plastic Waste Reduction



With a significant push to decrease the use of plastic packaging in our supply chain, we have managed to continue this downtrend and add on by using far fewer physical samples. The absolute increase from 2020 is explained by revenue growth of 45% YOY.

ADDITIONAL SEVERE IMPACTS

2.A.3 Describe any other severe impacts on people, society and the environment that were identified in the mapping of the business, supply chain or other business relationships during the reporting period and how these have been handled.

A woman in a blue surgical cap and gown is shown in profile, looking down. She is in a hospital operating room, with other staff members in the background. The lighting is bright and clinical.

3

Management of salient issues

Cease, prevent or mitigate negative impacts

“Cease, prevent and mitigate” is about managing findings from the risk assessment in a good way. The most salient negative impact on people, society and the environment should be prioritised first. This does not mean that other risks are insignificant or that they are not handled. The way the company is involved in the negative impact is key to taking the appropriate action. Negative impact that the company causes or contributes to must cease, be prevented and be reduced. 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 negative 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 own 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 Sustainable Development Goals (SDGs).

3. A Cease, prevent or mitigate

3.A.1 For each salient risk, add a goal, progress status and describe the measures you have implemented to handle the company's prioritized negative impact on people, society and the environment

<p>Salient issue</p>	<p>Discrimination of minorities.</p>
<p>Goal :</p>	<p>The company's engagement in Myanmar shall not in any form contribute to the conditions for the Rohingya minority in the Rakhine state of Myanmar. Active Brands has decided to monitor the situation closely by assessing its production in Myanmar in a way that the military in Myanmar is kept out as a stakeholder.</p>
<p>Status :</p>	<p>Active Brands production is located to areas outside the conflict area. Active Brands has also made sure that the military of Myanmar is not in any way participating as stakeholders in the production of the company's products.</p>
<p>Objectives in reporting year :</p>	<p>Assessing and documenting activities of development and building of new factories that could be involved in the company's production in the coming years.</p>

Actions :

Active Brands has shared Ethical Trade's Roadmap for Myanmar with the Chinese management of the factories in Myanmar. The management of the factories have also participated in the courses held by Ethical Trade in Yangon. The Chinese management teams are willing to cooperate with Active Brands to make sure that the company's Myanmar Objectives are met.

Salient issue	Overtime in China is an issue and Active Brands is working tightly together with suppliers to minimize through better sourcing routines and long term production planning.
Goal :	Highlighting and handling the overtime issue for the suppliers that have been given poor rating due to excessive overtime.
Status :	Active Brands suppliers that are audited by a third party auditing institute are given a "corrective action plan" to prevent excessive overtime within 1 year. The Action Plan covers also Active Brands sourcing routines and not only the suppliers internal policies.
Objectives in reporting year :	As we shift to a more D2C oriented organization, our supply chain will undergo significant change in the next years. The relevant impact of that shift will be more focused on continued production and spreading of load, versus seasonal sprints. This will enable us to plan further ahead and keep the workload smoother - both internally and at our suppliers.

Actions :

The supply chain redesign project has a significant position within the operational responsibilities for 2022 and is closely monitored on the leadership team level.

Salient issue	Plastic waste in the company's packaging solutions was a major focus for Active Brands during 2019. The company managed to reduce its plastic waste by more than 70%. We continue to push, with a goal of 100% recycled polybags and 100% FSC paper packaging by 2024., as well as exploring alternative ways of packing (and not packing!) goods.
Goal :	To eliminate the usage of hard plastics in the compnay's pacakging solutions.
Status :	As the end of 2019, Active Brands eliminated up to 99% of hard plastics in its packaging solutions, reducing its plastic waste amount by more than 70%.
Objectives in reporting year :	The new packaging solutions to become norm and adopted by all brands in throughout all product categories.

Actions :

The usage of hard plastics in packaging solutions have been banned. Active Brands has been in close collaboration with Grønt Punkt Norway to reduce amount of packaging waste in general and specifically plastic waste.

Salient issue	Active Brands has also initiated a GHG Emissions measurement scheme. We are currently measuring the entire company's GHG emissions based on production, transportation and energy consumption. The goal is to set a Science Based Net Zero target and have it approved by latest 2023
Goal :	overall goal is to meet a Net Zero target on Climate.
Status :	in 2021 and continuing in 2022 we are setting our baseline on GHG emissions throughout Scope 1,2 and 3 and aim to have out Net Zero target on Climate approved by the Science Based Target initiative by latest 2023
Objectives in reporting year :	Measuring Scope 1 and 2 and transportation in Scope 3. Collecting data for Scope 3 Product & Services

Actions :

Indicator

Scope 1 GHG Emissions [tons CO2e]



Scope 2 GHG Emissions [tons CO2e]



Scope 3 GHG emissions [tons CO2e]



including: Upstream transportation and distribution, Fuel and energy related activities (not related to Product & Services).

GHG emissions for 2020 are not included in the reporting. We changed transportation supplier in 2021 who are

allowing us to measure GHG emissions based on freight mode and actual weight. We have plotted those numbers against the previous method used to measure in 2020 and have reduced emissions by around 8% in 2021 despite increase of volumes shipped (the decrease from previous method vs new method to calculate is much larger). The reduction is a result of lower carbon transportation fleets. Our new inbound transportation supplier have set Science Based climate targets which is well inline with Active Brands future ambitions.

Salient issue	Active Brands is focused to reduce use raw materials leading to high amount of water waste. Brands usage of cotton is low and many of the collections containing cotton is made of organic cotton. The technical fabrics that are Blue Sign certified are preferred which minimizes waste of water.
Goal :	The overall goal is to systematically manage environmental impacts in our supply chain, including GHG emissions, water pollution -use & -consumption, chemistry, air pollution, waste and biodiversity
Status :	During our process of developing a target on climate we are also considering other environmental impacts which will serve as our base for specific KPIs on raw material and material manufacturing
Objectives in reporting year :	We are developing our baseline for GHG emissions and as a part of that process we are also conducting a more granular mapping of where in the supply chain we have our largest environmental impacts (opportunities and risks)

Actions :

OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

Describe cross-cutting actions to cease, prevent or mitigate negative impacts, including in your supply chain

3.B.1 Reduction of environmental and climate footprint

As in end of 2019, Active Brands started to use Greenhouse Gas Protocol Initiative's (The GHG Protocol) standard to report on the entire company's GHG emissions. The company has a offices and employees in North America, Scandinavia and China and GHG emission reporting will include all the locations Active Brands has a presence. This is a part of a continues efforts to align greenhouse gas emissions with a Science Based target on climate.

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

Active Brands has several ongoing projects for improving purchasing practices based on adequate forecasts. Increasing the number of "carry over styles" and decreasing the number of "new styles" reflecting seasonal fashion trends aims to both prolong product life-span as well as reducing purchases on forecasts.

Indicator

Percentage of payments to suppliers that are made on time



Active Brands takes pride in solid, long-term supplier relationships. Payments are made on time, and if deviations are expected, this is always discussed up front. In 2021, with Covid effects throughout the supply chain, we have actively supported some suppliers with earlier payments to secure stock of raw goods, and have also shifted some payments back because of liquidity issues. Overall, this is done in good faith and collaboration, and the overall on-time payment estimate remains unchanged.

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

Active Brands continues to push for supply chain transparency, and certifications are an important part of that. We have moved to several industry standards such as Bluesign, Oeko-tex and GRS.

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.

In those countries where collective bargaining is challenging, Active Brands is aiming to see active internal workers' unions and groups are built. Their leaders shall not be members of the management teams and they are chosen by the workers through votes.

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

Active Brands uses both Ethical Trade's and BSCI's initiatives to hold training for suppliers and workers in the supply chain. We regularly send out suggestions to our suppliers to participate in important training the two mentioned organizations hold.

3.B.6 Other relevant information concerning the company's work to cease, reduce and handle negative impact on people, society and environment

This is a topic that is steadily moving to the center of the stage at Active Brands. With the start of our new ESG manager in April 2022, this will get yet another push into a more consolidated approach across the house, while still allowing individual brands to differentiate in what they do and how they communicate with their customer.



4

Track implementation and results

Tracking implementation of actions and results relates to measuring the effects of the systematic approach and own work in each step of the due diligence process, showing whether the company conducts sound due diligence work. The company needs to have procedures and routines in place in order to uncover and critically assess own conclusions, prioritizations and measures that have been made as part of the due diligence process. For example, is mapping and prioritisation of salient issues done in a scientifically sound and credible way? Does it reflect the actual 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 measures taken by the company alone or carried out in collaboration with others. The company's experiences from working on due diligence should be used to improve procedures and routines in the future.



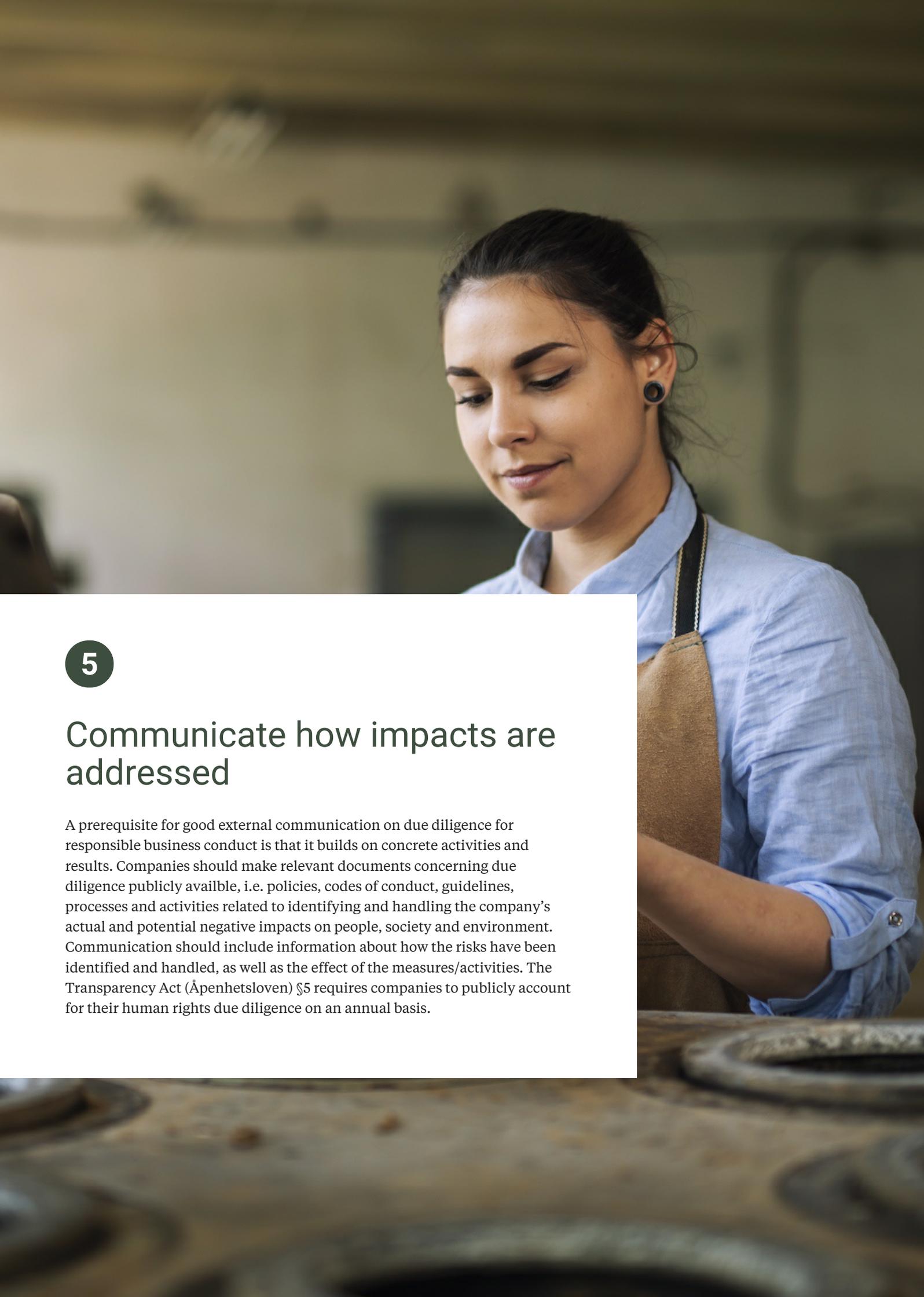
4.A. Track and assess

4.A.1 Describe the assignment of responsibility for tracking the effect of measures implemented to cease/prevent/mitigate salient risks of negative impact on people, society and the environment, as well as how the tracking is done in practice

Active Brands' performance and supply chain management with regards to social and environmental governance is closely monitored by FSN through Key Performance Indicators. Corrective Action Plans are followed up by the board of directors on a quarterly basis and are part of our accounting review cycles.

4.A.2 Describe how the company ensures that measures taken to identify, prevent and reduce negative impact actually work

Active Brands performs supplier market assessments before entering a new supplier market. The factory of interest goes through a rigid qualification before first order. The factories are visited and inspected and the findings are continuously monitored to ensure suggested improvements.



5

Communicate how impacts are addressed

A prerequisite for good external communication on due diligence for responsible business conduct is that it builds on concrete activities and results. Companies should make relevant documents concerning due diligence publicly available, i.e. policies, codes of conduct, guidelines, processes and activities related to identifying and handling the company's actual and potential negative impacts on people, society and environment. Communication should include information about how the risks have been identified and handled, as well as the effect of the measures/activities. The Transparency Act (Åpenhetsloven) §5 requires companies to publicly account for their human rights due diligence on an annual basis.

5.A External communication

5.A.1 Describe how the company communicates with affected stakeholders when managing negative impact

Investors are informed about the company's engagements on a quarterly basis through Board meetings. Active Brands holds yearly workshops for employees to inform them about the goals and progresses made by the company. Our external communication on this topic will get re-vamped in 2022.

5.A.2 Describe how the company communicates publicly about its own work on identifying and managing salient risks

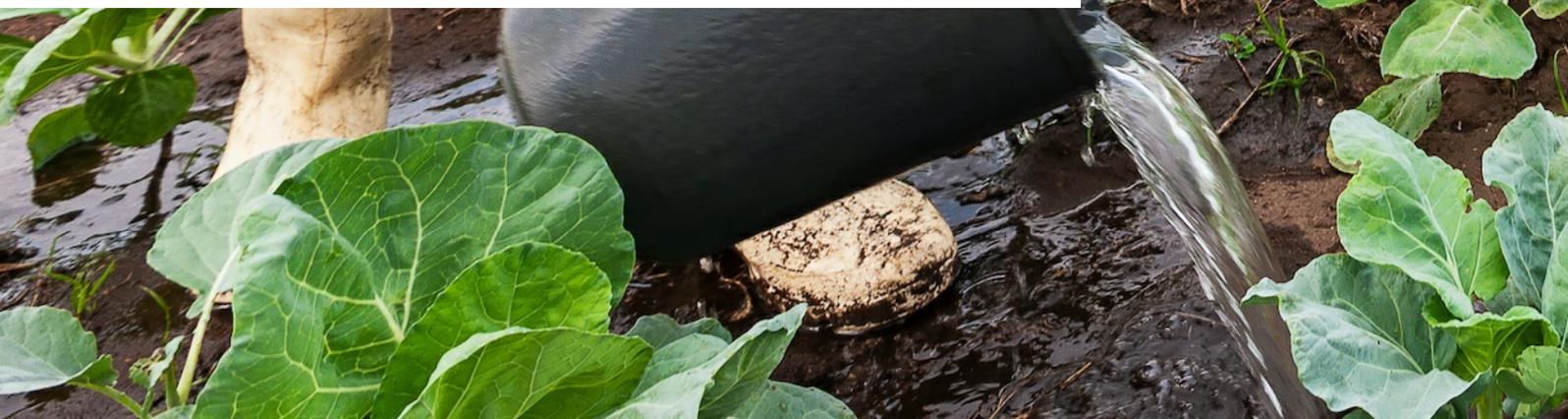
Besides the publications made online through brands' web-pages, Active Brands publishes 2 yearly reports which are publicly available.



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 in, remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. Another aspect is that companies should provide for, or cooperate with legitimate complaint mechanisms, to ensure that workers and/or local communities can raise complaints and be heard.



6.A Remediation

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

Active Brands has a procedure in place for reporting non-compliance. The non-compliance shall be thoroughly investigated with all stakeholders involved. The Non-compliance must be reported to the relevant management and up to CEO level. It is also investigated whether the public shall be informed and how.

Active Brands has a Zero Tolerance Protocol that must be followed by the inspector outside the normal inspection procedures. The situations are:

Child Labour

- Workers who are younger than 15 years old (or the legal minimum age defined by the country)
- Workers younger than 18 who are subjected to forced labour

Bonded Labour

- Not allowing workers to leave the workplace or forcing them to work overtime against their will
- Using violence or the threat of violence to intimidate workers to force them to work
- Inhumane or degrading treatment, corporal punishment (including sexual violence), mental or physical coercion, and/or verbal abuse

Occupational Health and Safety

- Occupational health and safety violations that pose an imminent and critical threat to workers' health, safety, and/or lives

Unethical Behaviour

- Attempted bribery
- Intentional misrepresentation in the supply chain (e.g. hiding production sites, lacking a business licence, and purposefully under-declaring the size of the workforce)

6.A.2 If relevant, describe cases of remediation in the reporting year

6.B. Ensure access to grievance mechanisms mechanisms

6.B.1 Describe what the company does to ensure that workers and local communities have access to effective grievance mechanisms when this is appropriate

Through own inspections and third party inspection institutes, Active Brands monitors the suppliers' Grievance Policies. In countries where collective bargaining is not a norm, local workers groups and unions are encouraged and a system for employees to raise a problem or complaint to their employer must be in place. The supplier shall also be able to explain how the system works and how complaints are handled.

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