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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 FNs 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 FNs veiledende 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.

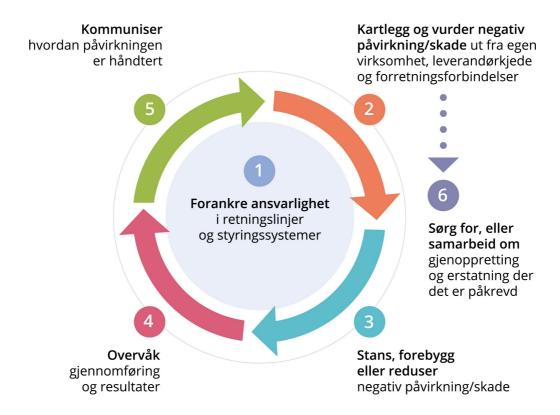
Heidi Furustøl

Daglig leder Etisk handel Norge

Aktsomhetsvurderinger

Denne rapporten er bygget rundt FNs veiledende 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

Helly Hansen was born by the seas and raised in the mountains. Since 1877 we play in sports, safeguard workers and have been trusted by professionals all over the world. We are deeply committed to making durable, high quality and safe professional grade gear. Our long-lasting products are intended to help people safely enjoy the outdoors and stay and feel alive in the harshest conditions whether they ski, sail, hike or work.

With ongoing challenges in 2021 from the global pandemic, closed retail operations, closed borders and faltering supply-chain we have focused on respecting and upholding the dignity of our employees and the people who produce our products. In addition we have strived to maintain our long-term commercial and professional partnerships and overall safeguard the wellbeing and job security of all our employees globally whilst focusing our sustainability efforts.

Two years into the pandemic it has been proven painstakingly clear that mankind is not divided by borders, nationality, race, color or religion. No nation, organization or individual can choose not to acknowledge global problems such as pandemic health crisis, basic human rights or global warming. Nor choose to not be part of the long-term solution.

Over the last two years we've seen that small actions matter and how aggregated positive behavior makes a difference and initiates the needed change. For this reason we believe it is more important than ever to continue to uphold our values of transparency, trust, respect, collaboration, pro activity and accountability throughout our supply chain, with our partners, among our employees and be an example to all our stakeholders.

We are committed to protecting people and the environment and we do so by upholding the following principles:

- We strive to comply with regulations and keep up to date with regulatory changes in our markets. We engage and communicate on regulatory topics that are important for our industry. We listen and engage with our stakeholders on both ethical matters and sustainability.
- We treat our employees and workers in factories that produce for us with dignity, and we uphold all relevant ILO conventions. All employees and workers have a right to a healthy and safe workplace and we safeguard this.
- · We apply a management system approach to sustainability. We continuously lead, evaluate and improve our management approach to sustainability. We measure and ensure so that we can set goals and produce measurable improvements.
- We use resources, materials, energy and water in a responsible way. Whenever we use materials from animals we uphold strict animal welfare standards. We limit the degree of pollution and emissions we cause with our activities. We manage chemicals in manufacturing and in our products responsibly. We ensure that no harmful chemicals are used that could jeopardize workers' or consumers' health. We strive to take a life cycle approach to our products and seek to minimize the environmental impacts. In partnership with our suppliers we follow sustainability standards and work towards continuous improvements. We safeguard consumers' health by upholding strict manufacturing standards.
- · We report yearly on our sustainability goals, projects and achievements. We report on an annual basis to the Ethical Trading Initiative Norway.

Going forward we are fully committed to working even closer with all our stakeholders and to engage more with communities and consumers on ethical matters and sustainability. We are convinced that long-term success can only be achieved by respecting, protecting and promoting ethical values, human rights and the environment. We are committed to continue advocating for the responsible use and enjoyment of the oceans, mountains and the greater outdoors.

Only through a holistic and scientific approach can we be successful in our efforts to ensure our combined actions support the overall possibility for people and the planet to thrive.

"We are convinced that long-term success can only be achieved by

respecting, protecting and promoting ethical values, human rights and the environment " Tor Jenssen Chief Marketing & Product Officer

Nøkkelinformasjon om bedriften og leverandørkjeden

Nøkkelinformasjon om bedriften

Navn på bedriften	
Helly Hansen	
Adresse hovedkontor	
Munkedamsveien 35	
Viktigste merker, produkter og tjenester	
Helly Hansen apparel, footwear and accessories	
Beskrivelse av bedriftens struktur	
Helly Hansen AS owns the Helly Hansen, Helly Hans apparel, footwear and accessories both through whole channel	en Workwear and Musto brands. We manufacture and sell esale channels as well as our own Direct to Consumer
Omsetning i rapporteringsåret (NOK)	
4 889 000 000	
Antall ansatte	
1 363	
Vesentlige organisatoriske endringer siden forrige rapp	ortering
Navn, tittel for kontaktperson for rapporten	
Ellen Andersen, CSR and Compliance Manager	
E-post adresse for kontaktperson for rapporten	
ellen.andersen@hellyhansen.com	

Informasjon om leverandørkjeden

Generell beskrivelse av bedriftens innkjøpsmodell og leverandørkjede

HH has a diversified portfolio of suppliers globally. Based on the opportunities, skill set, innovation, quality levels, raw material availability, ethical integrity, geographical proximity, taking advantage of Free Trade Agreements, HH has been able to partner with the right entities in Asia, South East Asia, Turkey and EU.

Antall leverandører som bedriften har hatt kommersielle relasjoner med i rapporteringsåret

101

Kommentar til antall leverandører

The number of suppliers are Tier 1 factories

Type innkjøp/ leverandørforhold



Helt/delvis egeneid produksjon



Innkjøp direkte fra produsent



Innkjøp via agent/mellomledd/i mportør/merkevarel everandører



Annet

Liste over førsteleddsprodusenter per land Bangladesh: 2 Kambodsja: 5 Kina: 44 Frankrike: Ungarn: Indonesia: Italia: Laos: Polen: Portugal: Slovenia: Sri Lanka: Sverige: 14 Tyrkia: Ukraina: 18 Vietnam: Oppgi antall arbeidere hos førsteleddsprodusenter som bedriften har oversikt over, og hvor mange produsenter dette er basert på. Antall arbeidere 75 953 Antall produsenter dette er basert på 94 Antall arbeidere per produsent (kalkulert snitt) 809 Kommentar til antall arbeidere The information on numbers of workers has been collected from Audit reports.

Viktigste innsatsfaktorer/råvarer og geografi

Polyester	Kina Taiwan Vietnam
Polyamide	Kina Taiwan Vietnam
Polypropylene	Brasil Slovakia
Wool	Australia New Zealand Sør-Afrika
Cotton	Brasil Kina Indonesia India Pakistan Tyrkia USA
Down	Kina Nord-Amerika
Polyurethane	Kina Japan Taiwan

Packaging and trims are excluded from the list

Er virksomheten leverandør til offentlig sektor?

Ja

Mål og fremdrift

MÅL OG FREMDRIFT I RAPPORTERINGSÅRET

4		
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Mål: Corporate GHG emission reduction target to be ready and communicated by latest end of 2021.

Status: We are preparing to align with a Science Based net-zero target with an intermediate target.

Map out wet processes in a water risk map and implement water saving processes which our Mål: suppliers are already adopting. For 2021 we will have a water scarcity strategy drafted and

continue this work into 2022.

We are extracting this data from Higg FEM and will focus on overlapping it with a water scarcity Status:

tool in 2022.

Implementation of transparency tool for product tracking and supply chain monitoring. We are Mål:

currently in dialog with external partners to map out our needs.

Status: Project will kick-off in Q1 2022 with the platform provider.

Increase the use of preferred materials in our material portfolio (see salient issues for more Mål:

We have had an increased focus on recycled synthetics due to our high % of synthetics in our Status: material portfolio. In addition we are exploring larger adoption of a Regenerative Standard for

wool

Continue to roll out Higg FEM in our supply chain. During 2021 we will in addition work on a plan Mål:

for how we can more actively support suppliers in improvements, according to FEM.

We have moved to the expanded adoption tool and have an adoption rate over 80% among tier 2 Status:

suppliers.

6

Our absolutely largest footprint is sitting in the supply chain, so it's also here where we need to drive most of the improvements. Driving change here has to happen in collaboration with our Mål:

suppliers. In 2021 we are beginning the work of developing a supplier scorecard which serves as

an incentive for suppliers to invest in environmentally preferred processes and practices.

Status: Drafted scorecard ready for pilot. 7

Continue to engage in research and industry collaborations related to microfiber and fiber Mål: fragmentation pollution. During 2021 we are evaluating the TMC testing method and when we are

confident enough of the results we are implementing the test as part of our fabric package testing.

We have tested around 15 fabrics in 2021 and will be task team leaders in TMC's fibre and yarn task Status:

group during 2022.

8

Mål:

100% of our merino wool has been ZQ certified until 2019. In 2020 we begun to introduce wool

from a new supplier, who are RWS certified. In 2021 HH are evaluating to also become RWS

certified.

Status: Helly Hansen were both RDS and RWS certified in 2021

We have managed to transfer a larger part of our cotton to organic cotton. In 2021 we are to Mål: update our cotton sourcing policy in order to ensure 100% of our cotton is sustainably sourced.

Fluctuating prices and supply of organic cotton has slowed adoption during 2021. We are focusing on traceability of our cotton and increased collaboration with suppliers in this value chain.

10

Status:

Create a visible CSR framework that can guide both internal and external stakeholders to the different focus areas we have. The framework will illustrate the setup of policies and procedures Mål:

that are in place and give guidance towards Social and labour rights in our supply chain. This

framework should be in place in Q3

We are evaluating our entire policy and procedure setup and is in the process of drafting new guidelines to make it easier for both HH employees and our supply chain partners understanding

Status: our requirements.

Goal is to have this in place by Q3 2022

Mål:

Status:

Focus on building up our policy portfolio and having clear SOP's in place. This will be in areas like

Chemical policy, CSR Policy, Migrant Workers standard and Modern Slavery Act. We will focus on

having this implemented before Q3.

Some of the policies has been created and are now reviewed by Senior management. Policies are still being worked on. Chemical Management Policy & Procedures is in process and 3rd party will

help with the finalization. Available for introduction in Q3.

Modern Slavery act available on our website in Q2.

Migrant Worker standard has been put on hold.

CSR policy in progress and will be introduced in Q2.

Further implementation of worker empowerment programs. We will look at implementing Mål: QuizRR in 5 to 10 more factories in China. Q3-Q4

Our focus this year has been on implementing HIGG FEM and FSLM and we have therefore not Status: had the resources to prioritize this. QuizRR will therefore be put on hold for 2022.

Create guidelines for our work towards a more inclusive diversity across race, age, gender identity Mål: and disability. This is a work that will be conducted together with our HR department to include all internal guidelines as well as external. Guidelines to be in place by Q4

> During 2021 we have performed the HIGG BRM self assessment and verification and this has given us clear indication on what we should focus on in terms of diversity, equality and inclusion. We are reviewing the feedback we got from the verifier and will create clear goals and set priories. Initial process to start in Q1 with HR meetings and this process will continue throughout 2022. No exact deadline can be set for this right now.

14

Status:

Mål: Set up internal courses related to environmental awareness and CSR training.

Throughout 2021 we have had several internal training sessions with different departments and Status: also CSR & Sustainability presentations at two Sport and two Workwear sales meetings

15

Mål:

In 2021 we are initiating a new cardboard box project. The new cardboard boxes, used for shipping from product manufacturer to warehouse or direct to customer, will be more durable, reusable and with thinner walls, which allows larger shipping capacity. Optimizing the size and type of cardboard boxes is an important action in reducing emissions linked to transportation.

Status: Implemented in 2021

16

100% of our hangtags are already made from FSC certified paper. We are now evaluating FSC Mål: paper for all packaging and shoeboxes. 100% of our retail bags are made from recycled paper.

Status: We developed new shoeboxes in 2021 which are made out of 100% FSC certified paper.

We are moving towards having 100% of all our polybags in recycled content. During 2021 we are Mål: working on sourcing recycled PE bags from Turkey, since currently we only have converted PE from Asia to recycled.

Status: We have recycled PE bags from both Asia and Turkey.

The project "Circular High Performance" is continuing in 2021, where we are in aiming to pilot the Mål:

outcomes with some of our partners.

We have tested recycling on over 5000KG of ski uniforms. Project is under evaluation reg next Status:

step

19

We are to begin a project which will allow us to scale our repair offer on a global base. Mål:

Status: Evaluating best partners and markets

20

Mål:

Roll out HIGG FSLM (Facility Social and Labor Module) in our supply chain focussing on our key

Tier 1 suppliers. The dialog will take place throughout Q1 and Q2 and implementation start-up

will begin in Q3 and Q4.

At the end of 2021 we rolled out the HIGG FEM and FSLM modules for both Tier 1 and Tier 2

Status: suppliers. The implementation of the modules will continue throughout 2022. Key suppliers were

our focus group right now and more suppliers will be onboarded throughout the next 2 years.

MÅL FOR KOMMENDE ÅR



Implement a scorecard for our suppliers on social and Environmental areas. The scorecard will focus on key performance attributes both for social and environment. The scorecard will give Helly Hansen an opportunity to build closer relationship with well performing suppliers and also provide internal guidance on suppliers so part of the sourcing decisions can be made based on some of the findings in the score card.

Regular internal training sessions on CSR and Purchasing practice



Develop Circular Design Guidelines for Design and Development of new products. The work will kick-off with a workshop Q1 2022 and the guidelines will be developed throughout the year



Harmonise our repair offer in key markets. Identify key partners to enable repair during 2022



Pilot optimal available end-of-life solution for complex garments via Ski Resort partners and 3rd part take-back programs. Pilot Q1-Q2 2022



Collaborate with industry peers in shared supply chain facilities to drive decarbonisation projects. Pilot project w

European Outdoor Group in 2022



Collect more granular Environmental Performance data via Higg FEM and include more parameters in assessing our supply chain partners



Pilot Traceability tool on selected products. Project is starting with the traceability platform in Q1 2022



Implement more ambitious and specific mandatory requirements related to Environmental Performance in our supply chain. Policies and guidlines to be updated Q3 2022



Implement a solid Chemical Management guideline that will contain Helly Hansen Chemical Policy and Chemical Management guidelines that will be the master tool to use during the product lifecycle. To include risk assessment tools.



Engage in the work done by Nirapon making sure that all our Tier 1 suppliers are fully committed to monitoring safety conditions in their factories. This means participating in workshops and online webinars in addition to making sure that all inspections are performed and results are validated and approved. Continuous work throughout 2022.



Implement HIGG FSLM with our key suppliers. Implementation will take place parallel to our regular Amfori BSCI audit process, but eventually we are aiming for a full rollover to FSLM. This is a long-term project, but phase 1 will take place in 2022. Phase 1 = 3-4 suppliers will be onboarded.



Replace all virgin PE with Recycled PE in our bags used for transportation. We have recycled PE sources available from both Asia and Turkey and are using up the leftover to ensure we can ship 100% recycled PE bags during 2022.



1.A Policy* for egen virksomhet

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

https://www.hellyhansen.com/sustainability

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

Helly Hansen's aspiration is to make long-lasting, high-quality and performance driven gear with a minimal environmental footprint. This is done while making sure that we do our due diligence towards all the people that are working in our supply chain.

We have clear policies and procedures in place and we are transparent about who we work with and where our products are being produced.

Our Policy on Responsible Business Conduct and CoC are shared on our website to communicate towards our external stakeholders how we commit to our work doing our due diligence in our supply chain.

We are also openly sharing our supplier list for Tier 1 and Tier 2 on our website and for Tier 1 we have included details like gender split, total number of workers in the factory, migrant worker status and status on labor organizations and collective bargaining.

Further on our website we are communicating about preferred materials and traceability on our natural materials like wool and down.

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

Commitments to responsible business conduct has been a key element for Helly Hansen for many years and our Code of Conduct and Policies has been communicated to all our partners by getting them to understand, commit and sign these documents. Clear expectations from Helly Hansen has been one of the successful driving factors to build trust and openness in the way we do business and a large percentage of our supplier portfolio are long term partners.

All our partners have to sign our Code of Conduct before we can continue any further collaborations with them. These documents are the foundation for our business and are clearly communicated throughout the company during internal training and sales meetings.

1.B Organisering og internkommunikasjon

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

The CSR and Compliance Manager reports directly to the Chief Sourcing officer on issues related to Responsible **Business Conduct.**

By having this role sitting this close to the sourcing team in Hong Kong, supplier decisions, risk assessments and purchasing practices are easier to address when the team is organized in this way.

The Sustainability Manager reports to Chief Offiser Product and also works close with Marketing on Sustainability communication.

The Sustainability manager works in all areas that affect the Environment when in comes to our supply chain and the products we are making.

The Sustainability Coordinator & Analyst and the Jr R&D Coordinator reports to the Sustainability Manager.

Throughout 2022 the Sustainability Team will continue to build internal Sustainability roles in the different departments to create greater involvement in our sustainability work and also to achieve a better focus on responsible purchasing practices.

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

The CSR and Sustainability Team has been given the task and is continuously working on informing and educating internal stakeholders on topics like environmental attributes, responsible purchasing practices, CSR procedure and environmental goals.

The departments receiving regular training are Design and Product Development teams, Customer service, Sales, and Operation & Logistic. These are employees that either work very close with our supply chain partners or have a great impact on the environment or the society through the decision they make.

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

Helly Hansen employees are attending internal and external workshops and seminars arranged by collaborating partners. Some of these are bluesign, SAC (HIGG), Kemikaliegruppen, EOG and Etisk Handel.

This gives us an increased knowledge on responsible business conduct and how we can impact our supply chain by making the right decisions and setting targets for improvements.

There will be continuous focus on this throughout 2022.

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?

Helly Hansen's Sustainability Roadmap sets out the focus areas we have towards doing our due diligence and being a responsible business partner. We do also have a set of compliance documents being the core of any collaborations taking place and make sure that all our supply chain partners are compliant before any order placement can commence.

We have a clear commitment to measure and reduce our environmental footprint linked to making our materials and products. The roadmap towards a transparent supply chain and a top level performance on Higg Facility and Environmental Module has been communicated and begun to roll out with all key suppliers and in total 55% of our tier 2 suppliers. During 2021 we developed a supplier specific roadmap for sustainable materials and practices which has been shared with all key partners. None of this is publicly available, but we are sharing some of our environmental action plans on our website.

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

Helly Hansen's top management is involved in strategic decisions and changes that will effect the company and the way the brand is perceived in the market.

These strategic decisions are also linked to the targets that need to be established to be able to move forward. Helly Hansen is now working on a plan where we will commit to setting GHG emission reduction targets by end of 2022

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?

HH has long term relationships with most of their vendor community & at the same time bringing in new vendors with the same intention of having long term relationships.

10 Years or longer and some close to 20 year relationships with the top 10 vendors who do 65-70% of our total business

In many instances, we are now working with the 2nd generation of owners over these long term relationships That is a testament to our commitment and that we have both grown together over the years through tough times and good times.

We are very fair and balanced in our approach when it comes to price, volume, quantity and utilization of capacity.

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?

Helly Hansen has now an even closer focus on responsible business conduct by continuously building up a clear structure on how to work with our supply chain.

This structure consists of Policies and Procedures that is needed to be able to create a sound base for future sustainable work.

Much of the work done throughout 2021 is to bring our suppliers up to the social compliance level we require and to recognize the hard work they have done to achieve this.

2021 has also been a challenging year for many of our supply chain partners in Asia due to the Covid-19 pandemic, but by having an open and honest dialog where issues like production and shipping delays, raw material shortage and increase cost have been discussed we have together managed to find solutions and at the same time create trust.

Our partners see that we are willing to work with them and to help them achieve improvements and this makes it easier to get them onboard the projects we are working on.

These projects will create greater transparency in terms of the choices we make during the product development stage, how and where our products are produced and under what conditions.



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
Freedom of association	Fagorganisering og kollektive forhandlinger	Bangladesh Kina Vietnam
Discrimination	Diskriminering Marginaliserte befolkningsgrupper	Bangladesh Sri Lanka Myanmar/Burm a
Migrant worker discrimination	Tvangsarbeid Barnearbeid Arbeidstid Regulære ansettelser	Kina Tyrkia
Water scarcity & Water pollution	Helse, miljø og sikkerhet Vann	Kina India Tyrkia Taiwan Vietnam
Chemical management	Miljø Utslipp Materialbruk	Globalt
Gender equality	Diskriminering	Globalt

Health and Safety	Helse, miljø og sikkerhet	Bangladesh Kina Tyrkia Vietnam
Overtime	Arbeidstid	Bangladesh Kina Myanmar/Burm a Tyrkia Vietnam
Microfiber shedding and pollution	Miljø Vann	Globalt
Animal Welfare	Dyrevelferd	Australia Kina New Zealand USA Sør-Afrika
Corporate GHG emissions	Miljø Drivhusgasser Energi	Globalt

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.

The salient issues were determined on the base of:

- audit reports being performed
- Risk assessment mapping on country basis (geo and political assessment) and on water risk. Sources for the mapping are AAFA (country risk assessment)
- Stakeholder conversations: chemical dialog with suppliers (challenges they have in their supply chain when producing materials for Helly Hansen) and engagement in stakeholder initiatives (RISE, Kjemikaliegruppen,
- International concerns around pollution and seeing scientific reports that can confirm the concerns with actual numbers and findings.
- Higg Brand and Retail Module is used as an independent 3rd party verified assessment of our environmental and social management system, policies and action plans. The assessment helps us to identify gaps and develop an action plan, with clear prioritizations, to improve our Sustainability and CSR efforts throughout the business

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.

The textile industry is one of the most water- and chemical intense industries and through conversations with our supply chain partners we are trying to map out how we can reduce our chemistry and water impact by changing some of our processes in terms of material decisions and collaboration partners. In addition we are facing a climate crises where every business, government and individual must take responsibility. Helly Hansen is committed to reduce our GHG emissions. The largest part of our GHG emission impact is coming from making our materials and products. We are collaborating with suppliers to increase energy efficiency, reduce coal as an energy source and adopt renewable energy.

We see a direct correlation between environmental challenges and the well-being of the people in our supply chain and we are therefore having a big focus on these topics as well as the social aspect.



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

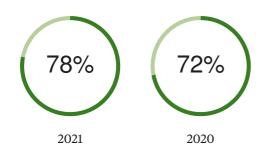
Prioritert negativ påvirkning/skade	Freedom of association
Overordnet mål :	Our goal is to establish fair ways for the workers in our supply chain to be able to express their opinions and concerns related to their work life. There should be clear and open communication between the workers and factory management. Worker representatives or Workers Union should be encouraged as this has an overall positive impact on the people throughout our supply chain.
Status :	We have done a brief mapping of our Tier 1 suppliers. We see that gaps can be found when you compare number of worker representatives in the factories and the influence they have with the information found in the audit reports. They are representing, but do not have the influence we expect them to have.
Mål i rapporteringsaret :	In 2021 we have created an overview of the number of factories having unions and worker representatives in place to be able to plan what our next step should be. Focus in 2021 has been to onboard all Tier 1 factories to our BSCI auditing scheme and make sure that they are compliant. We have also started the implementation of the HIGG FSLM module which is part of a 3-year plan to consolidate the audit system we have for our key suppliers. By doing so we will be able to reduce the audit duplication and also focus on labour practice projects together with other brands producing in the same factories.

Utforte tiltak og begrunnelse:

Continue to work on the HIGG FSLM implementation and also make sure that the collaboration between Amfori BSCI and HIGG is taking place. It is crucial that this goes ahead to avoid audit duplication. We are aiming for onboarding Key Tier 1 suppliers to FSLM and have their audits verified by Q4. All this will create a healthy base for future projects especially related to Freedom of association where multiple brands are able to work together on improvement projects.

Indikator

Factories with Worker representatives



Prioritert negativ påvirkning/skade	Discrimination
Overordnet mål :	Our goal is to make our supply chain partners aware of the focus we have on tackling discrimination in the factories. It is a challenging question to address, since discrimination is often related to culture, tradition and religion. Helly Hansen will continue to have a close dialog with our supply chain partners and at the same time work with stakeholders and NGO's on improvement programs for our industry.
Status :	Through our close collaboration with Amfori BSCI we are able to track and minimize the risk for Discrimination. Our long term relationship with most of our Key suppliers also makes it possible to have a open and honest communication around issues related to discrimination.
Mål i rapporteringsaret :	Continued the work with Amfori BSCI and held internal workshops to raise awareness internally.

Map out programs that are already working on this topic and decide on which one Helly Hansen should connect to.

Start dialog with these Social programs to set the scope of cost, involvement by Helly Hansen and timeframe

This we run throughout 2022

Prioritert negativ påvirkning/skade	Migrant worker discrimination
Overordnet mål :	Helly Hansen need to make sure that there is no exploitation of migrant workers in our supply chain. By having a Migrant Worker policy in place we are able to establish a clear framework for how we expect our partners to work on this topic.
Status :	We are in the process of mapping out how many migrant workers we have in our supply chain and whether they are domestic migrant workers or foreign migrant workers. The data gives us indications on how we should address this issue. We have set our focus areas to be China, Turkey and Bangladesh for now, but this can be shifting as new conflicts in specific regions can arise.
Mål i rapporteringsaret :	The objective for 2021 was to get a policy/ standard in place and this is something we are still working on. This standard should outline the procedures to be followed in hiring migrant workers and their rights and responsibilities.

Continue the mapping of our suppliers to get an overview of the number of migrant workers in our supply chain. To be able to communicate with both factory management and worker representatives we need to establish our Migrant Worker Policy that should be our tool for fair employment processes for migrant workers.

The Policy should be in place by Q4.

Prioritert negativ påvirkning/skade	Water scarcity & Water pollution
Overordnet mål :	 Risk assessment conducted for all our Tier 2 key suppliers, representing over 80% of material volumes. Map 80% of all dyeing and wet processes, incl filtration systems, in order to evaluate risks and preferred sources. Roll out HIGG FEM with all key Tier 2 suppliers, representing over 80% of our material volumes. Increase amount of water free dyed material and other environmentally preferred dyeing methods
Status :	 We have mapped over 50% (based on volume) of all our wet facilities in the supply chain. We have in addition mapped the regions from where all our cotton is sourced. Higg FEM is rolled out to 55% of tier 2 suppliers and 49% of tier 1 suppliers. In 2020 we conducted a circular water audit with one of our main partners in Vietnam, concluding they can circulate 74% of the process water.
Mål i rapporteringsaret :	 Continue to map production and process facilities in our supply chain - reach 80% Continue to roll our Higg FEM and work on improvements of Higg FEM scoring in parallel. In addition we are to develop a scoring card with an incentive for suppliers to invest in improvements. Develop criteria and requirements for wet process facilities in our supply chain

Prioritert negativ påvirkning/skade	Chemical management
Overordnet mål :	 Continue to always prioritize bluesign materials Introduce bluesign product. Become 100% PFC-Free Phase out all antibacterial treatments in our apparel
Status :	Final assessment with bluesign to communicate bluesign product. over 70% of DWR treated fabrics are PFC-Free for our Sport segment All antibacterial treatments are phased out in our apparel.
Mål i rapporteringsaret :	Begin to measure bluesign product. Increase amount of PFC free to reach full elimination 2023

We are in the process of creating a Chemical Management guideline to be used both by supply chain partners and HH employee. These guidelines will clearly define how we should perform our material chemical risk assessment and to what level and how the testing should be done.

Indikator

bluesign fabrics - SPORT



We shifted a large volume of linings to solution dyed in 2020 and 2021, which are not bluesign approved, and therefore the % bluesign dropped from 2019 to 2021.

bluesign Product - SPORT



2021

PFC-Free DWR - SPORT



bluesign fabric - Work Wear



2021

bluesign system partners are less common among work wear fabric suppliers and the % is therefore lower compared to Sport segment

bluesign product - Work Wear



2021

PFC-Free DWR - Work Wear

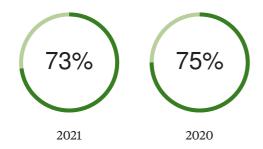


Prioritert negativ påvirkning/skade	Gender equality
Overordnet mål :	Create a better focus on gender equality in our supply chain. Make it easier for workers to raise their voice when exposed to gender discrimination and have strict routines in place for not allowing gender equality taking place.
Status:	We have identified specific countries being more exposed to gender equality and there are challenges involved when tackling these issues that are very much related to culture, religion and social systems. Educational tools and empowerment programs can be a way forward.
Mål i rapporteringsaret :	We have worked on mapping our supply chain to get a better picture of the gender split in our supply chain. With this information we are able to decide on types of projects to join and where we need to have our focus. Amader Kotha is grievance mechanism under the Nirapon program that empowers the workers to report on issues violating their rights. Some of the issues being reported in to the helpline is related to Gender Equality and there is a stringent process around solving the issues that has been reported.

Create an overview of projects we can join that is linked to Gender Equality. Set up meetings with other brands for knowledge sharing sessions. Board of directors need to decide on further progress based on cost indications and time frame.

Indikator

Women working in our Tier 1 factories



Prioritert negativ påvirkning/skade	Health and Safety
Overordnet mål :	Key focus for Helly Hansen is Health and Safety and making sure that all the people working in our supply chain are safe in their working environment. Helly Hansen are members of Nirapon and we have been members since Sept. 2021 Helly Hansen is committed to continue to work with our Bangladesh factories to develop a culture of worker safety. The key focus areas are: Fire, Electrical and Structural integrity.
Status :	Fire and Building safety is a focus area and we are working in close collaboration with Nirapon in Bangladesh to remediate in the improvement of the factories we work with. In addition we do regular Amfori BSCI audit reports where health and safety are one of the areas that are being monitored closely and all non-compliance issues are followed up and CAP (Corrective Action Plan) closure is required. Zero tolerance issues are taken to senior level and factories are required to immediate action and production put on hold until issue is solved.
Mål i rapporteringsaret :	Support Nirapon in Bangladesh in the work they do towards improvement in Fire and Building safety. In addition, and based on audit we perform, we follow up on all non-compliance issues related to health and safety.

Continue with the work we are doing right now and continue to have a close dialog with the factories on these important issues. This needs to take place not only in Bangladesh, but also in the other key countries/ regions we are operating.

Prioritert negativ påvirkning/skade	Overtime
Overordnet mål :	Have a deeper knowledge around how our purchasing practices can affect the use of overtime in the factories we work with.
Status :	HH is in continious dialogue with the suppliers. Excess over time is brought up as a general issue and HH is always aiming for distributing orders or level loading production throughout the year and also communicate more secure forecasts.
Mål i rapporteringsaret :	Contiuous communication with our suppliers on purchasing practices in addition to internal employee training at Helly Hansen on purchasing practices and what we can do to improve.

Helly Hansen will continue to work collaboratively with our suppliers on delays and instead of using held fast policies we focus on true needs of our consumer to identify where additional production time can be allocated to give the vendor additional time.

HH has several types of products which are not seasonal based and can therefore be produced any time of the year. Orders are therefore placed in communication with the suppliers of these type of products. Forecasting is also an important tool for production planning. We are continuously communicating forecasts with the suppliers in case of changes and always pre-seasons.

Internal training is essential and we will continue training and webinars with different departments.

Prioritert negativ påvirkning/skade	Microfiber shedding and pollution
Overordnet mål :	Material processing is one of the main hotspots in our carbon footprint. Reduction target to be set by latest end of 2021. Roll out Higg FEM for min 80% of our suppliers and have them reach level 3 by latest 2025.
Status :	We are continuing to map all production and process facilities in our supply chain. Increased focus on Higg FEM with additional resources in the team.
Mål i rapporteringsaret :	Develop a plan for how we support suppliers to improve their Higg FEM score

Indikator

Higg FEM tier 2

2021: 81

2020: 55

2019: 48

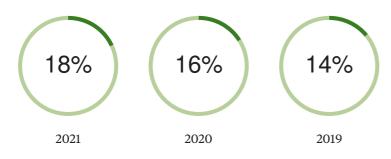
Prioritert negativ påvirkning/skade	Animal Welfare
Overordnet mål :	Measure all fabrics which are at high risk of microfiber pollution. Set a limit for max shedding allowed from any of our fabrics
Status:	We are testing all high risk fabrics with the TMC testing method
Mål i rapporteringsaret :	Continue to test fabrics via the TMC method and evaluate the results.

Prioritert negativ påvirkning/skade	Corporate GHG emissions
Overordnet mål :	The long term goal is to source raw materials only from preferred sources. Target: min 50% recycled synthetics by 2025 by volume
Status:	Preferred focus materials identified
Mål i rapporteringsaret :	Increase % of recycled synthetics and organic cotton

Utforte tiltak og begrunnelse:

Indikator

Recycled Polyester - SPORT



Recycled Polyester - Work Wear



2021

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

- * Calculation of our environmental footprint, with a focus on GHG and water
- * Applying tools and polices such as HIGG and bluesign
- * Focus on introducing materials and treatments with a better environmental profile such as recycled, solution dyed, PFC free, organic cotton
- * Apply a circular perspective with the priority order; QUALITY, RE_USE, REPAIR, RECYCLE
- * Reduce our dependency on single use materials
- * Respect animal lives and treat animals fairly in accordance to both subjective and objective needs.

3.B.2 Tilpasning av egen innkjøpspraksis (sourcing)

During 2021 the disruptive purchasing pattern continue due to Covid-19 and we had to plan accordingly, based on our learnings/experiences from 2020.

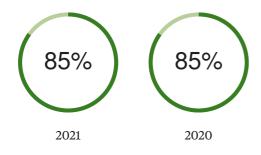
We once again mapped our current and future inventories, purchase orders and pre booked more raw material bookings ahead of the normal purchasing calendar.

An evaluation of the demand planning based on current/future inventories and customer demand calculations were/are performed:

- Pre-Booking Raw Materials to reduce the long lead time and commit to Raw Materials earlier to mitigate Raw Material costs & production back log.
- The entire Supply Chain is experiencing cost increases from Raw Materials to Shipping Containers globally and within the regions, due to an imbalance in Supply & Demand.
- We have accepted, cost increases when & where justified and negotiated where we can mutually as long term
- Accommodating reduced payment terms are constantly being reviewed when vendors request them, to help on our cash flow for factories during these unprecedented COVID
- Factories & Raw Material Suppliers had minimal layoffs, but factories are still experiencing high absenteeism's due to COVID infections leading to reduced productivity and efficiencies @ factories.
- Air Freight is being used more extensively due to reduced productivity/output at factories & container shortages – costs are being shared fairly between all our factory partners & over burdening either party.
- We have improved our forecasting capabilities & sharing monthly rolling forecasts with raw material suppliers/factories for visibility & future production planning
- We will also be sharing/rolling out 3 year Vendor Plans based on our growth, with all factories for better capacity and production planning.
- We have not experienced or heard of increase in wages yet from factories, but are anticipating this and planning accordingly.

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Andel av bedriftens leverandører som bedriften har hatt forretningsforhold med i mer enn tre år



3.B.3 Valg av produkter og sertifiseringer

Helly Hansen sees that the product we are producing can potentially have negative impact on the environment, but we also see that many of the choices make in the design and raw material process can have a positive contribution toward reducing our footprint.

Some of these action point are:

- Roll out of HIGG facility and environmental module with an improvement plan for key suppliers. Ensure majority of our materials is sourced from facilities who are continuously working with environmental improvements.
- Continue sourcing bluesign material and increase the % bluesign in our work wear collection.
- Phase out PFAS DWR's with the goal to be PFAS free by 2023.
- Identify and test materials in regards to microfibre release in order to eliminate the high shedding materials and improve constructions to reduce leakage of non degradable materials into the environment.
- Increase the volume of recycled and solution dved materials.
- Increase organic cotton and roll out cotton connect in our cotton supply chain.
- Continue to apply 100% responsible down standard down and ZQ certified wool.
- Ensure our leather is coming from LWG certified tanneries.
- Ban real fur and antibacterial treatments.
- Ensure our products are made for longevity in high quality.
- We are today producing a small collection of mono material garments. We will increase the amount of mono material garments in parallel with the recycling industry of textile materials being developed.
- Reduce the single use plastic from our packaging and replace virgin material with recycled.

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

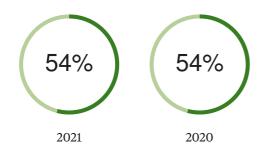
The suppliers that Helly Hansen work with have signed our CoC and have agreed on the values mentioned in the document.

Through our Amfori BSCI audits we are also able to track how Trade Union organizations, collective bargaining and worker representation are organized in the factories we work with.

We will for 2022 start the work on increasing the workers knowledge around their rights and responsibilities through training and workshops and also by have dialogs with the factory management to make sure that they are aware of the requirements we as a brand place upon them.

Indikator

Andel leverandører i land med begrensninger i fri fagorganisering eller kollektive forhandlinger



Andel leverandører med annen arbeiderrepresentasjon enn fagforening



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

By having close collaboration with suppliers and also strict implementation of compliance procedures we are able to look at the gaps where focus needs to be on training and development.

We are in the process of analyzing our supply chain in terms of both environmental and social compliance and we will focus on key suppliers when implementing some of our projects. One of these being the implementation of HIGG.

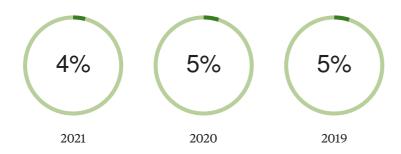
For environmental training and capacity building we are looking at training of our Tier 2 suppliers in the HIGG module called FEM (Factory and Environmental Module) that will give them clear indications on improvements that can be done in terms of production prosesses.

For workers rights and training linked to HIGG we have started implementing the use of HIGG FSLM module (Facility Social & Labor Module).

When implementing and working with Amfori BSCI there are also several requirements related to training and workers involvement. This is part of the annual audit procedure and also if Corrective Action Plans needs to be addressed.

Indikator

Andel leverandører hvor opplæring knyttet til etisk handel er gjennomført



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



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 overvåkningen gjennomføres i praksis

Our Sourcing office is in regular contact with our suppliers to monitor ordering procedures and commitment to timelines decided on. The work they do have a direct impact on the use of overtime and we are monitoring this closely together with our suppliers.

The challenge is though that many of our suppliers are working for several brands that might not have the same focus on their ordering procedures. Helly Hansen's work towards improved purchasing practice might be insignificant if we don't get the other brands to have the same focus. By implementing HIGG FEM and FSLM we are hoping that collaboration between brands can increase due to sharing of both data and knowledge is part of the tools in the HIGG platform.

Environmental focus is something that is monitored through testing and a sound certification systems. This is followed up by external partners that performs the testing for us.

This is mainly related to tier 2 suppliers, but also tier 3 and tier 4 partners that are dealing with animal derived materials (down, feather, leather).

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

Helly Hansen do regular factory visits, have annual audits and perform quality inspections and information from these visits gives us indications on how the factory is performing, both quality wise and also if they do due diligence.

Helly Hansen have regular audit inspections in place where we mainly work with Amfori BSCI as our audit standard. These regular audits gives us good indications on how the factory works on preventing and mitigating salient issues.

We do especially follow up salient issues related to health and safety and we have zero tolerance in this area. Working closely with Nirapon in Bangladesh we get regular reports on the status of the factories and this is mainly related to building safety in the areas of fire, electrical and structure. These reports are followed up by Nirapon in a close dialog between Nirapon and the factory management.

Helly Hansen do have regular factory visits and we do have quality inspection personnel in our key factories who are our "ears and eyes" and report back to us if there are any findings. They do also have direct dialog with the factory workers.



5.A. Kommunisere eksternt

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

Helly Hansen communicate the following on the official website: Policy on Responsible Business conduct, Code Of Conduct, RSL list (Restricted Substance List), general information on our sustainable initiatives and partnerships with NGO's and industry associates, our certified animal derived raw materials and also our Sustainabilty roadmap that is outlining our ongoing work on sustainability topics. When there are salient issues occurring in our supply chain we have a close dialog with affected stakeholders and

try to maintain a pragmatic approach to how we should solve the issue.

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

We communicate our work through our official website https://www.hellyhansen.com/sustainability/



6.A Gjenoppretting

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

Helly Hansen have right now no formalized/ Documented procedures in place regarding remediation, but our Supply Chain Partners have by signing our Policy on Responsible Business Conduct committed to providing remedy if they are responsible for the negative impact. We have a tight dialog with our partners, and any remediation needing to take place we engage in and participate in meetings to solve the problem.

Helly Hansen do work with Amader Kotha inn Bangladesh through Nirapon and is a helpline that was established in 2014.

The helpline can be used by workers to make it possible for them to report on issues related to health and safety.

but also other issues in the factory like physical abuse and sexual harassments. All critical infractions are followed up on and in the end has to be signed off by senior management with an Approval Summary.					
Beskriv eventuelle tilfeller av gjenoppretting i rapporteringsperioden					

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

Helly Hansen have a close dialog with their supply chain partners, but at present time there are no official grievance systems in place that has been initiated by Helly Hansen.

Helly Hansen have a set of remediation mechanisms in place through our owners and these tools are scaled down and implemented in Helly Hansen's supply chain. These mechanisms make sure that reports on complaints are being followed up on and are in the end signed off by senior management.

Kontaktinformasjon:

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