

Due Diligence for Responsible Business Conduct

# Account reporting year 2022

for Bergans Fritid AS



*Ethical Trade Norway has assessed the report of Bergans Fritid AS to meet the criteria of our Base Level. More information about our Base Level can be found [here](#).*

# SUSTAINABLE DEVELOPMENT GOALS



## To Readers Of The Report

Business and the public sector have a great impact on people, society, the environment, and animals and can both contribute positively to development, or negatively by causing harm. Businesses therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs).

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

Responsible business conduct is the systematic effort that businesses do to identify, prevent or mitigate adverse impacts and explain how they manage their risks of negative impact to people, society, and the environment as well as provide remediation where this is required. Norwegian authorities expect all businesses, regardless of their size, to carry out due diligence in accordance with the UN's Guiding Principles for Business and Human Rights (UNGP) and OECD's Guidelines for Multinational Enterprises. This applies to businesses, the public sector, and organisations.

Ethical Trade Norway's Declaration of Principles (our Code of Conduct) covers the areas of decent work, human rights, environment/climate, anti-corruption, and animal welfare. This report is done in full transparency and in line with UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

**Heidi Furustøl**

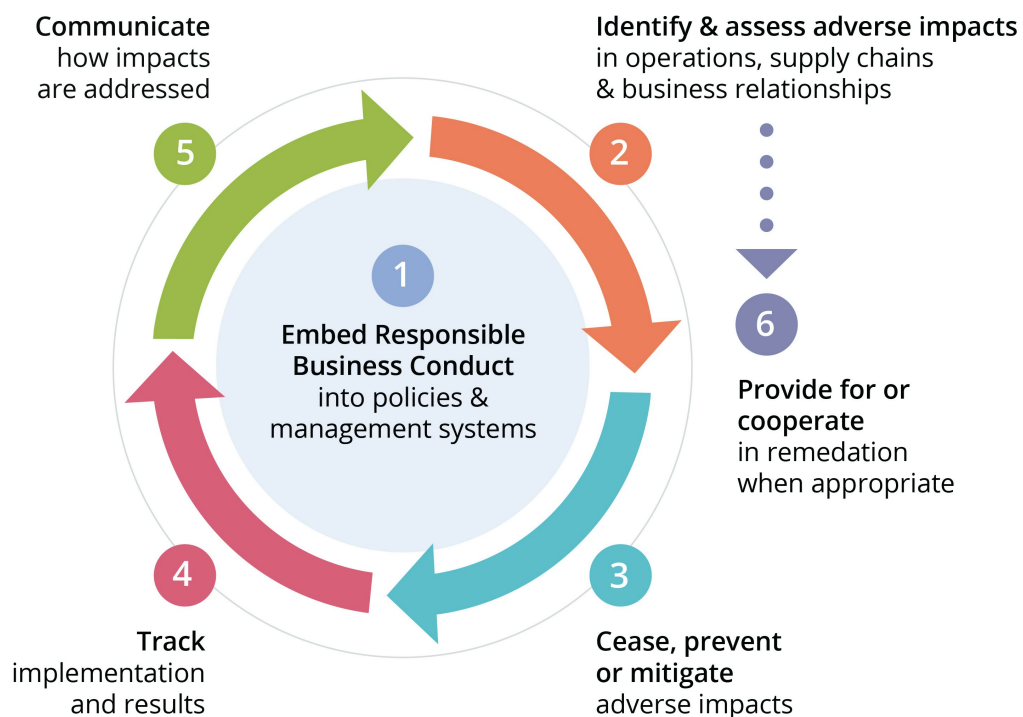
*Executive Director*

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

As an outdoor brand, with nature as our playground, Bergans has both a self-interest in and a responsibility to ensure that the outdoors we have today will be there for the next generation to enjoy. Therefore, our defined vision is to “lead and inspire towards a sustainable future” – and we have committed to ambitious goals in our sustainability strategy "Expedition 2030".

As part of the global textile and outdoor industry, our business has an impact on nature, our climate, on people and on consumption. We know that we are part of the problem – and we therefore have a responsibility to be a part of the solution. We believe that companies like us can play a unique role in the shift towards a more sustainable future: we can both positively influence our own value chains and at the same time enable consumers to make more sustainable choices in their everyday life.

Our value chain is long and complex and involves many people in many countries. As a member of Ethical Trade Norway, Bergans is committed to work actively with due diligence for sustainable business practices, respecting and safeguarding people, animals, society, and the environment throughout our supply chain. We are convinced that sustainable business practices are a prerequisite for sustainable development.

We have welcomed the new Norwegian Transparency Act. We believe that openness in global value chains and more collaboration is key to push businesses towards more ethical trade practices and more sustainable operations. We already see that the enforcement of the act has been followed by a great focus on business due diligence and human rights responsibilities in the public discourse. It will hopefully contribute to levelling the playing field for businesses as well. We are in that sense also positive to the coming developments in the EU on this field.

Carrying out due diligence assessments in our complex supply chain is in many ways a challenging exercise. We benefit greatly from our membership in Ethical Trade Norway, with supportive tools, expert guidance, and valuable joint initiatives. The working group on living wage is one such joint initiative where we have taken part this year. Through this group we have shared insights and learned working methods from other brands. This is a topic of great complexity, and we need to go even deeper to achieve a greater understanding - and thus be able to decide actions for improvements.

Guidance from Ethical Trade Norway has also been of utmost importance to us when it comes to the critical situation in Myanmar. We still have two suppliers with three facilities in the country, and our deepest concern is for the safety and well-being of the workers and their families. Throughout the year we have had a close dialogue with our suppliers (one of them also visited us is Asker), we have cooperated with other brands in our industry, and ETN has facilitated meetings with different stakeholders in Myanmar. This includes EuroCham, SMART Myanmar, the Confederation of Trade Unions Myanmar, ETI UK, Fairwear and the EU Ambassador in Myanmar, among others. The advice from the stakeholders to us as companies are contradictory to say the least, although they all have the same goal of peace and democracy. For now, Bergans has decided to stay in the country, and to heighten our due diligence through joining the EuroCham and enrol our suppliers in the MADE Myanmar program.

This year, we have again experienced that our long-term relationships and our resilient value chains has given us an advantage in tackling the consequences of Covid, that still has had an effect in 2022. We have a continuous and good dialogue with our suppliers, finding ways to cooperate on product development and delivery issues through closer communication. This is also the case regarding the consequences of the war in Europe. We are naturally horrified by Russia’s aggression in Ukraine. In February we immediately froze and shortly after terminated our business relations in Russia, and we have done what we can to support the people of Ukraine. The war is also affecting global trade, leading to higher costs and challenges in shipping, but we are tackling this together with our great partners in our supply chain.

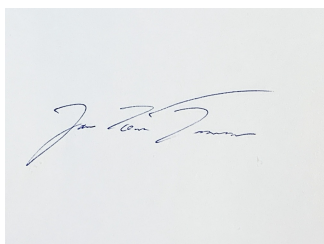
Climate change is the biggest threat of our time. Bergans is a part of the Scandinavian climate network STICA – The Swedish Textile Initiative on Climate Action – to set reduction targets and better collaborate within the industry. In 2022 we reported our climate emissions in scope 1 and 2, and for the second time on scope 3. We buy renewable energy for our own operations. We have continued to increase our share of recycled materials, use

less harmful dyeing techniques as well as collaborated sector wide on phasing out PFAS. In 2022 we have started a dialogue with other outdoor brands on a project that aims to increase the use of solar power at our suppliers in Vietnam.

We continue moving our business model towards a more circular economy – with services like repair and rental, product return and second-hand sales as well as redesign. In 2022 we launched a Service Deal on our Rabot products, together with Sport 1. By this we aim to change consumer mindsets – by introducing repair at point of sale we hope that more customers will be more aware of how they can prolong the life of their products. This project also includes a pilot on the use of digital product passports. We are closely following the developments of the legal frameworks in EUs Circular Economy Action Plan, and we are also giving our insights to Norwegian decision makers on this subject.

Our products are our value carriers – enabling people to enjoy the outdoors and providing thousands of jobs. Comprehensive environmental and ethical standards in our supply chain in combination with high quality products and circular services are key factors for sustainable success. We are motivated to continue our sustainability efforts in 2023 – collaborating with others, especially with our partners in our supply chain.

**" Believe in tomorrow – explore today "**

A square image containing a handwritten signature in black ink on a light grey background. The signature is cursive and appears to read 'Jan Tore Jensen'.

Jan Tore Jensen  
*Chief Executive Officer*

# Company information and business context

## Key company information

### Company name

Bergans Fritid AS

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### Head office address

Hagaløkkveien 13, 1383 Asker, Norway

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### Main brands, products and services offered by the company

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

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### Description of company structure

The company main office is situated in Asker, Norway and here most of Bergans departments work together: Product development & design, Purchase, Brand, Sustainability, Sales, Retail, E-commerce, Customer service, Administration, Accounting, IT and our in-house Repair service. In our home market Norway we sell through retailers, but also operate 9 stores as well as our own e-commerce (B2C), which we also launched in Sweden (2020) and Germany (2021). In these two markets we also run two outlet stores. In our main markets we operate with our own sales representatives, while we only sell through agents/importers and retailers in all other markets. The central warehouse is located in Norderstedt in Germany, where also Sales and Marketing as well as customer service for the European market is located. Two Bergans co-workers work from our office in Hong Kong to maintain direct contact with all our suppliers. All product design, development and purchasing is done from Norway.

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### Turnover in reporting year (NOK)

606 000 000

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### Number of employees

216

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### Is the company covered by the Transparency Act?

Yes

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### Major changes to the company since last reporting period

No major organisational changes in 2022. We opened a new Brand store in Stavanger.

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**Contact person for the report (name and title)**

Yngvill Ofstad (Sustainability) / Christoph Centmayer (Sustainability)

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## Supply chain information

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

Bergans does not own any production facilities but purchase directly from 20 different product manufacturing companies (tier 1). Normally, we do not use agents for tier 1. We design and develop all our products on our own, thus we do not order ready-made products. More or less all materials used are nominated from our side and we do maintain direct relationships to around 95 fabric and trim suppliers (tier 2), even though our product manufacturers buy these materials from them. The textile supply chain is complex, and many parties are involved. To have direct contact with both tier 1 and tier 2 is a strength in our supply chain set-up, when it comes to both quality and sustainability.

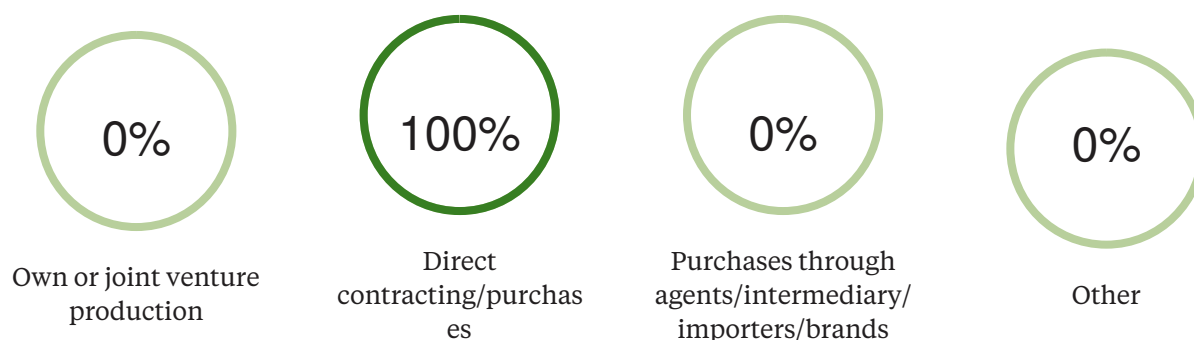
### Number of suppliers with which the company had commercial relations in the reporting year

115

### Comments

The number above includes both tier 1 (20 product manufacturers) and tier 2 (ca. 95 fabric and trim suppliers). Indirect spend is not included.

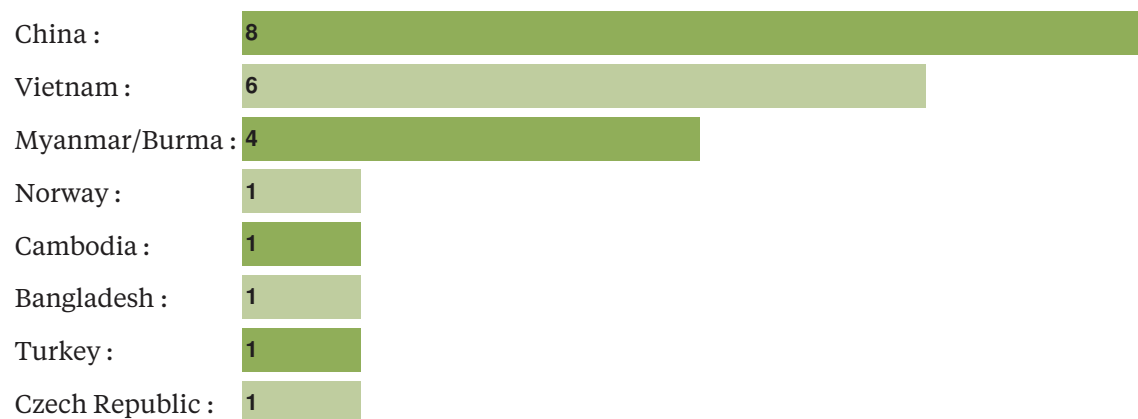
### Type of purchasing/ suppliers relationships



In the textile industry, it is often the case that fabric suppliers do not own their own production facilities, but work with different fabric mills (e.g. PrimaLoft or We aRe SpinDye, who own and market their ingredient brand, but utilize different production facilities). We have direct contact with these converters, who in turn place their orders at production facilities owned by other companies.



### List of first tier suppliers\* (producers) by country



Some of our suppliers use factories in different countries, therefore the total number of suppliers from this list is larger than the number of manufacturers stated above.

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

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**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

22 000

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#### Number of suppliers this overview is based on

20

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#### Numbers of workers per supplier (calculated average)

1100

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#### Comments to number of workers

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

**Key inputs/raw materials for products or services and associated geographies**

<b>Polyester</b>	China Japan South Korea Taiwan
<b>Polyester (Recycled)</b>	China Taiwan
<b>Polyamide</b>	China Japan South Korea Taiwan
<b>Polyamide (Recycled)</b>	China Japan Taiwan
<b>Wool</b>	Australia South Africa
<b>Recycled Wool</b>	Italy
<b>Cotton (organic)</b>	India Turkey
<b>Down (RDS certified)</b>	China
<b>Down (Recycled)</b>	China Hungary
<b>Cellulose (Spinnova, Tencel)</b>	Finland
<b>Elasthane</b>	China Japan Taiwan
<b>Lyocell</b>	China

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

Most of trims used (buttons, zippers, threads, buckles, tapes, labels, etc.) consist of different materials (like polyester, cardboard, or metal) and most of them are produced in China, some in Vietnam.

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**Is the company a supplier to the public sector?**

Yes

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## Goals and progress

### Process goals and progress for the reporting year

1

More Sustainable Products:

- Design for repair: Secure repairability in our high-quality products, and improve communication on existing features
- Materials: continue securing certified materials and increase share of more sustainable fabrics and trimmings

#### Goal :

- Chemical management and microfibers: continue work towards phase-out of PFAS, accelerate research on microfibers with TMC
- Animal Welfare: implement new policy and strengthen internal routines on certification. Increase share of RWS-wool
- Innovation: develop new coverall as a rental-only product, new Spinnova product
- Packaging: participate in Single-Use-Plastic project (EOG), communicate Handelens Miljøfond in a better way

More Sustainable Products:

- High quality is always top priority for Bergans. In 2022 we launched our new Y Light line collection, after several years of development. This is a highly technical collection, developed for the most professional users. A new Y Mountain line will follow in 2023. Our designers continuously work to implement design to repair features. A selection of our skiing pants have been updated with an extra hem that is easy to replace after wear and tear.
- Securing more certified materials and fabrics is an ongoing process. We have also changed from colored zipper pullers to only three different metals, to reduce the use of color / dying in the production process.

#### Status :

- We are continuing the phasing out of PFAS through our internal CO-group and have participated in the Pop-free research together with RISE and Houdini, among others. We are also participating in the TMC research on microfibers, i.e. sending our fabrics to testing.
- We have increased our share of RWS-wool and secured the chain of custody certification. The separate animal welfare policy is on the way to be implemented, although we already have the standards in our CoC.
- The coverall as a separate rental product was halted, as we had to stop the subscription service. The Spinnova material is being tested in our lab for new products now.
- We participated in a Single-Use-Plastic project where we removed the polybags at our warehouse for better sorting and recycling. We also carried out a survey among our customers - with very positive feedback. HMF communication was sent out to all stores.

2

More Sustainable and Fair Value Chain:

- Continue to report climate emissions from scope 1, 2 & 3. Improve data collection for tier 2 suppliers
- Cooperation within STICA to jointly address suppliers for energy efficiency and renewable energy projects
- Start looking into internal carbon pricing
- Reduce returns in all countries
- Secure clear and easily accessible information on our due diligence work in all languages online
- Implement better digital system for supplier mapping - both climate and social aspects
- Improve external auditing practices - to combine with Bergans factory visits
- Restart social dialogue project with Quizrr post corona
- Implement written policy on remediation and communication
- Participate in living wage working group
- Re-certification Miljøfyrtårn

**Goal :**

More Sustainable and Fair Value Chain

- We have continued to report our climate emissions from scope 1, 2 & 3 through our STICA collaboration.
- Together with other outdoor brands, we decided to join the SOLROS program for roof top solar in Vietnam. The program will progress in 2023. We have learned slightly more about internal carbon pricing from other companies, and this is still under consideration.
- We are like other companies struggling with high return rates. All returns are put back in stock for sale again. We are continuously improving our web page and implementing a fit predictor function for better guiding in size.
- In relation to the new Transparency act, we have improved the information on our due diligence work on our web page, in all languages. In addition, we have established routines for our customer service regarding questions, and communicated the act internally in our organisation.
- We have done an extensive mapping of different tools, services and and potential partners for supply chain management, and will land a new system during spring 2023. Our own factory visits are up and running again, after the covid lock down period.
- We are in dialogue with Quizrr regarding extending the social dialogue project to our factories in Vietnam. The project has had good success in some of our Chinese facilities, and this will be utilized in further promotion and recruitment.
- All our policies are being worked through and re-signed by our new board.
- We have participated in the living wage working group within EHN and will continue to do so. We have also carried out a preliminary living wage survey among our suppliers, including informing them about the Transparency Act.
- The re-certification of Miljøfyrtårn has been accomplished, and Bergans is also certified as a bicycle-friendly working place.

**Status :**

#### More Sustainable Consumption:

- Share our experience with circular services to create engagement
  - Continue participation in networks and public debates to promote better frameworks for circular economy
  - Promote repair through activities such as Tour de Sy and other campaigns
  - Improve the customer journey on repair in Bergans
  - Develop our second-hand sales, investigate online pilots
- Goal :**
- Advocate to change "Brukthandelsloven"
  - Continue redesign colab with Esmod Oslo
  - Promote redesign as a good entrance to repair in school
  - Develop and scale up our rental solutions
  - Further develop and scale the subscription model on kids coveralls
  - Contribute to improve the competence on industry level re-impregnation in Norway
  - Participate in research projects regarding circular economy

#### More Sustainable Consumption

- We continuously share our experiences with our circular services. In 2022 we have participated in numerous webinars, seminars, panels, lectures - sharing our knowledge with businesses, organisations, students, pupils, teachers, politicians, decision makers and the public.
- We have been invited to The Ministry of Trade to share our views on the Law on second-hand sales, we have been in two meetings at The Ministry of Climate and Environment to share our experiences on circular services and we are part of a reference group at Virke on ERP on textiles. The working group on ERP was launched at our Flagship store in Oslo with the Minister of Climate and environment.
- We have promoted repair through our Tour de Sy repair tour and through our brand new service deal on Rabot products together with Sport 1. The customer journey on normal repairs still needs improvement.

**Status :**

- We had great success with our second-hand event on Black Friday, and will continue such events going forward. Online pilots is put on hold to we have a new webpage in place.
- Our ReDux colab with Esmod was extended from 3 weeks to 3 months and integrated as a part of the normal studies this year. Great re-designes accomplished! We also visited Sam Eyde vgs in Arendal, promoting repair and redesign.
- Although we have changed some external partners in our rental program, any new development is on hold awaiting new web solutions. The subscription model has sadly been stopped, in order to be re-evaluated.
- Some dialogue on re-impregnation has been carried out, this work will continue also in 2023.
- We are participating in the research program REDUCE, led by OsloMet. We are also participating in several networks in NF&TA on different subjects within the circular economy. We have also shared our insights to several students writing papers on circular economy.

4

#### More sustainable outdoors

- Promote and enable outdoor activities for all
  - Continue Bergans Adventures' collaboration with ADHD Norge
  - Create and promote guidelines for sustainable tourism
- Goal :**
- Continue and scale up collaboration with DNT on rental and repair (Repair-kits in cabins)
  - Develop cooperation on with Friluftsrådet
  - Support and promote EOCA preservation projects. Invite Norwegian projects to apply.

More sustainable outdoors

- Through everything we do, we are always promoting the value of being outdoors, staying active. We strongly believe that people that are out in nature, will care more about preserving nature.

Bergans Adventures has offered a great variety of trips during the year, for both newcomers and more experienced hikers, and we have continued the collaboration with ADHD Norge.

**Status :**

- As before, we have continued the great collaboration with DNT and Friluftsrådet in Sweden. The repair-kits in the DNT cabins are well in use, our repair car has visited both DNT in Hamar and Vinjerock.

- We have continued our support to the European Outdoor Conservation Association (EOCA), donating products to raise funding for nature conservation projects.

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**Goal for coming years**

1

More Sustainable Products:

- Design for repair: Secure reparability in our high-quality products, and improve communication on existing features
- Materials: continue securing certified materials and increase share of more sustainable fabrics and trimmings. Improve internal routines regarding certifications (for DPP).
- Chemical management: continue work towards phase-out of PFAS, testing substitutions in lab and field.
- Accelerate research on microfibers with TMC. Continue testing selected fabrics for shedding.
- Animal Welfare: implement new policy and strengthen internal routines on certification. Increase share of RWS-wool
- Innovation: use of Spinnova fiber in in-line product (commercial)
- Packaging: participate in Single-Use-Plastic project (EOG), communicate Handelens Miljøfond and reduce the use of plastic bags in the stores
- Start pilots on Digital Product Passport, and follow all upcoming regulations from the EU.

2

More Sustainable and Fair Value Chain:

- Continue to report climate emissions from scope 1, 2 & 3. Improve data collection for tier 2 suppliers.
- Cooperation within STICA to jointly address suppliers for energy efficiency and renewable energy projects, such as SOLROS
- Reduce returns in all countries
- Implement better digital system for supplier mapping - both climate and social aspects - including external audit report information
- Improve our social auditing practices - to combine with Bergans factory visits. Look into collaboration with Sport Holding brands.
- Continue social dialogue project with Quizrr in new countries, start with Vietnam.
- Implement written policy on remediation and communication
- Look into better digital grievance systems for suppliers
- Participate in living wage working group (EHN)
- Continue the close follow-up, including stakeholder dialogues, in Myanmar. Join Eurocham and MADE Myanmar.
- Better communication on Miljøfyrtårn and work more actively with the stores. Continue Bicycle friendly working place.

3

#### More Sustainable Consumption:

- Share our experience with circular services to create engagement
- Continue participation in networks and public debates to promote better frameworks for circular economy
- Promote repair through activities such as Tour de Sy and other campaigns
- Improve the customer journey on repair in Bergans
- Continue and develop the Service deal on our products
- Develop our second-hand sales, investigate online pilots
- Carry out 5 second-hand events, in all stores.
- Advocate to change "Brukthandelsloven"
- Promote redesign as a good entrance to repair in school
- Develop and scale up our rental solutions (digital solutions)
- Contribute to improve the competence on industry level re-impregnation in Norway
- Participate in research projects regarding circular economy

#### 4

#### More sustainable outdoors

- Promote and enable outdoor activities for all
- Continue Bergans Adventures' collaboration with ADHD Norge
- Create and promote guidelines for sustainable travel and tourism
- Continue and scale up collaboration with DNT on rental and repair (Repair-kits in cabins)
- Develop cooperation on with Friluftsrådet
- Support and promote EOCA preservation projects. Invite Norwegian projects to apply.

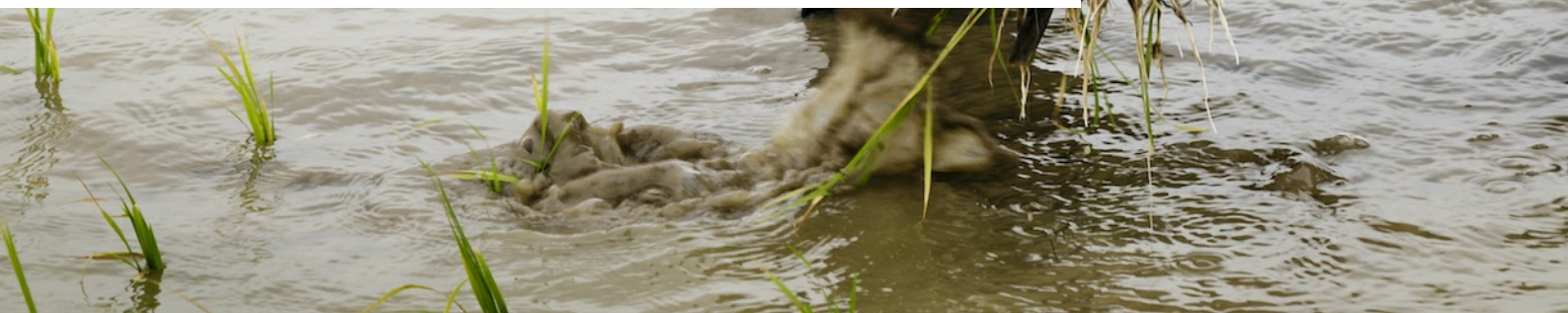




# 1

## 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 for responsible business conduct (hereafter 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 success, 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. Transparency about commitments the company has for itself, challenges they are facing, and how these are managed is fundamental



## 1.A Policy\* for own business

### 1.A.1 Link to publicly accessible policy for own business

<https://www.bergans.com/no/baerekraft/verdikjede/menneskene>

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

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

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

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

In 2019 we updated our former "Sourcing and Production policy" from 2015. We have further developed this document, and adjusted with support from our advisors in Ethical Trade Norway. The name of the policy is "Policy for Sustainable Business Practice". This was approved by the existing board in 2020 and published on our website together with our Code of Conduct. The policy was presented and discussed in the management team before anchoring it in the new board (Sport Holding).

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## 1.B Organisation and internal communication

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

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

Our CEO, our management team and our board are the main responsible for sustainability in our company. We have two Sustainability officers in Bergans, working as expert advisors on sustainability. In 2020 we have also hired a Project leader for Circular services in a full-time position. We regard sustainability as a way of working rather than as a specific function. Therefore, we work to integrate different sustainability issues in relevant departments and create ownership. It is our goal that all co-workers contribute and feel part of our sustainability agenda.

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

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### 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?

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

Internal communication and collaboration are key in order to engage and involve all co-workers in our sustainability agenda. All new co-workers receive sustainability training, including both environmental and social issues, run by the Sustainability team. We regularly inform everyone about new sustainability topics and actions through our internal social media platform and during common co-worker meetings.

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

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

To ensure sufficient knowledge and competence on due diligence work in our supply chain, our Sustainability officers have a good and close dialogue with Ethical Trade Norway. They participate in meetings and trainings. Bergans also receives relevant and updated information on the development in the EU from the EOG and Virke. These learnings are brought forward to relevant co-workers in our organisation. We also stay updated by following relevant newsletters and online channels. Co-workers in the purchase team also participate in courses on responsible sourcing through Ethical Trade Norway.

Bergans also participates in several collaborative efforts in both the textile and outdoor industry, such as Bluesign, the Higg Index, Kjemikaliegruppen and Popfree project within research institute RISE, The Swedish Initiative on Climate Action (STICA), the Scandinavian Outdoor Group (SOG), the European Outdoor Group (EOG), Tekstilforum in Virke, NF&TA, and of course Etisk Handel. Due diligence and other supply chain issues are now emerging as important collaborative subjects in these fora, in addition to the environmental topics.

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

We evaluate different providers for a digital reporting system for suppliers, as this could help us with an even better overview for all our supply chain partners, and ease the reporting for our partners, as well as providing us with more data to report and communicate, both to customers as well as initiatives like STICA.

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## 1.C. Plans and resources

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

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

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

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

Sustainability is core of our business strategy and therefore a focus topic in all board and management team meetings. The goals in our business strategy work as guidelines for all operations and the daily work in our company.

The Sustainability strategy, supplier documents such as the Code of Conduct and Company policies are discussed and approved by both the Management team and the Board. Relevant sustainability topics are regularly discussed in the Management team. The Brand Director, as the leader of the company's Sustainability team, is in close contact with representatives from the board and discuss issues related to this field on a regular basis.

## 1.D Partnerships and collaboration with business relationships, suppliers in particular

### 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?

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

All suppliers must also read, understand, and sign our Restricted Substance List (RSL) and Chemical Compliance document every year. Under normal circumstances all tier 1 suppliers receive regular visits from Bergans, both from our Product and Purchase co-workers and from our Quality- and Compliance officers in Hong Kong. The latter completes sustainability reviews when visiting the factories. During the pandemic we have not been able to travel, so we have cooperated with external parties to carry out the visits and inspections. We have started travelling again in 2022, but we are not on the same level as before covid. We also conduct regular teams meetings with our suppliers.

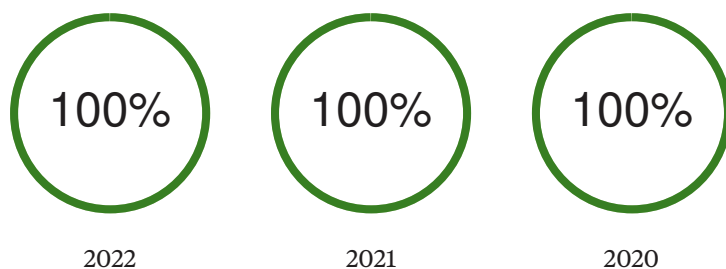
We have collaborated with our suppliers in China to carry out the Quizrr training, to enhance the importance of social dialogue in the workplace. We are now planning to expand this program to our tier 1 suppliers in Vietnam.

As a result of being part of Sport Holding, we have a closer dialogue with the retail chains owned by Sport Holding. We have started the dialogue about collaborating on important sustainability issues.

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## Indicator

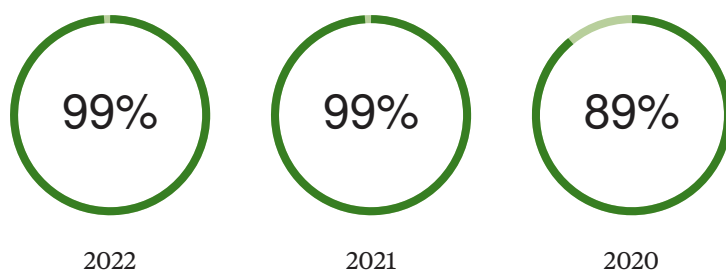
### Percentage of the company's suppliers that have accepted guidelines for suppliers



All new suppliers must read, understand, and sign our Code of Conduct before entering any business relations with Bergans.

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

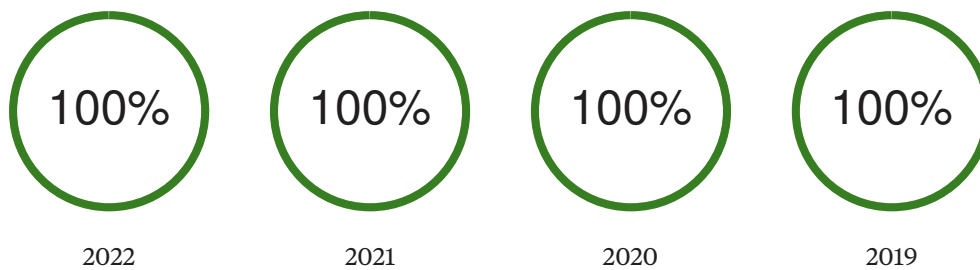


We always aim for long term relationships with our suppliers. We have included some new, smaller suppliers during the past years, but mostly in relation to innovation projects. These do not represent a significant share of our total purchase volume. We have again reduced our supplier base, as a part of our strategy to fill up production capacity at our main suppliers (for both seasons) and to be able to have a closer relationship with fewer suppliers.

Due to the politically unstable situation in Myanmar, we have been forced to look into alternative factory locations. Together with our supplier, we moved part of our production to other facilities in Cambodia and Bangladesh in 2021. These facilities have been on-boarded with our usual routines, supplied with external audit reports, since it was not possible to inspect the personally. For now, we have decided to not leave Myanmar, but to stay and work to secure and improve the worker's situation together with other brands, SMART Myanmar and EuroCham (this is further described in chapter 3).

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#### Percentage of payments in time to our suppliers



We always pay our suppliers in time, and according to agreements.

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## 1.E Experiences and changes

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

This year we have focused on developing and promoting our circular services, mapping our climate emissions, continued work on phasing out PFAS (CO project) and have started looking into living wage in our supply chain. We have become more experienced in our new systems for supplier information (PLM) and we have continued our program on social dialogue with our suppliers (Quizrr) - now planning to introduce the program in more facilities. We have continued to give input on sustainability challenges to politicians, NGOs, researchers, and different institutions (mostly regarding circular economy, EPR and climate reporting).

We reported our Scope 3 emissions to STICA for the second time, which included gathering an extensive amount of environmental and energy data from our tier 1 suppliers. This has been challenging, especially securing high quality and comparable data from all suppliers. Since the textile supply chain is complicated and consists of many suppliers, we have had to make assumptions and use of average data for textile materials and their impact on emissions. We will have to improve the way of using, mapping, calculating, and reporting this data in the coming years.

The political situation in Myanmar after the military coup in 2021 is still critical, which means that our due diligence work here has high priority. We continue to have close contact with our suppliers to get a better understanding of the situation locally and to safeguard the security of our workers at the factories. One of our suppliers has also visited our office in Asker. We had several meetings and a close dialogue with Ethical Trade Norway, our competitors in Norway with suppliers in Myanmar, bigger companies like H&M, German outdoor companies, as well as the Norwegian People's Aid (Norsk Folkehjelp). We have also participated in international webinars, with ETI UK, Fairwear, SMART Myanmar and the political opposition in exile. We are convinced that our close and long-term relationship with our suppliers helps enormously to tackle the challenging situation. We have provided both our board and our organisation with extensive and updated information both about the situation and what Bergans is doing to tackle it. We are following the development closely going forward in 2023 as well and joining the EuroCham and the EU funded MADE Myanmar program, to continue to secure and improve the workers situation, and to receive direct information on what is happening on the ground.

This year we have also started looking into the topic of living wage in our supply chain. We have participated in an EHN working group on living wage - getting insights and learning working methods from other Brands - and sharing our approach. We have done a preliminary mapping of several different wage parameters at our tier 1 suppliers. Our initial learning from this is that this is a topic of great complexity, and that we need to go even deeper in order to get a greater understanding of the field - and then again be able to take actions for improvements.

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





## 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 relationships. As a first step the company should get an overall risk picture, before subsequently prioritising further mapping and measures where the risk of negative impact is the greatest, i.e. salient issues. The company's involvement in the negative impact is central to determine which measures the company should implement in the next step of the due diligence model. 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. Take note that the prioritized risk that you list in the table below will be exported to step 3 of this report, where you will be asked to answer how you work with stopping, preventing, or reducing the negative impact.**

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

Political crisis	Freedom of association and collective bargaining Harsh and inhumane treatment Wages	Myanmar/Burma
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We prioritize workers' rights for our tier1 suppliers (labour intensive), while environmental impact and chemical handling is our focus for tier 2 suppliers (fabric production, less labour intensive). Risks regarding workers' rights differ somewhat between the different production countries (tier 1). Due to the politically unstable situation after the military coup in Myanmar early 2021, we have added political crisis as a salient issue for Myanmar also this year. In 2022 we have added wages for Myanmar, due to high inflation rates and political instability. For more information, see below.

## DETERMINATION OF SALIENT ISSUES

**2.A.2 Describe: a) the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period: b) eventual aspects of the company that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work: c) how information was gathered, what sources were used, and which stakeholders have been involved/consulted: d) 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.**

Through our membership in Ethical Trade Norway, we have for many years ago committed to carry out due diligence assessments in our supply chain to secure responsible business practices to respect humans, animals, society, and the environment, and stop, prevent, and reduce negative impacts.

It is important to note, that our strongest advantage regarding our supply chain management, in the long-term and resilient relationships with have with our suppliers. We have had a long cooperation with most of our suppliers, meaning we know each other well, we visit often, and our dialogues are based on mutual respect and understanding. This is important when developing technical garments and outdoor equipment such as backpacks and sleeping bags - this takes time and great effort, and we are dependent on collaboration and good competence at our suppliers. In addition, we also have direct dialogues with our tier 2 suppliers, as we nominate all fabrics and trimmings in the products we design and develop, and never order ready-made products. This gives us a good control of our supply chain.

When assessing risks, we firstly take into consideration known facts about the country and region of operations. These facts we collect from Ethical Trade Norway, industry forums (such as the European Outdoor Group) and other relevant information sites, e.g., Fair Wear Foundation (FWF), Transparency International, International Trade Union Confederation (ITUC), US State Department country reports and others.

All suppliers receive our Code of Conduct, and must read, understand, and sign this before we enter into any purchase agreement. We always visit new suppliers before starting business. Our co-workers both in Norway and in Hong Kong have years of experience in analyzing suppliers first hand, knowing quite instantly if this is a supplier worth moving forward with. This kind of competence cannot be underestimated. We also perform and extra evaluation on our supply chain partner every time new product lines is being developed. Our main risk assessment documents are the Self-Assessment Questionnaire (SAQ) and the Factory Profile, which are based on Ethical Trade Norway's recommendations and ILO standards. Chemical management and compliance is also an important part of the assessment, where our RSL document is key, and we are also a Bluesign system partner. We factor in information gathered through our own on-site visits and interviews with suppliers, quality inspections and other audit reports, third-party certifications, and other external sources of information about the supplier. We always have continuous communication with our suppliers, and we aim to reach agreements based on mutual understanding, respect, and flexibility. Our Hong Kong office visit our suppliers at least once a year, and in addition to quality controls they also carry out visual observation controls and following up irregularities with corrective action plans.

Our PLM system Centric contains all information about our supply chain. This tool can help us to evaluate our suppliers based on quality standard and business practices, including information from our screening of environmental and social conditions and the results of our own inspections on site. Centric helps us to map our supplier base and to have a good overview on all information, documents, permits etc. As Centric is a PLM tool more than a due diligence tool, we plan to establish an even better digital platform for supply chain reporting, to collect more data, documentation, and certifications from all our partners in the supply chain in a more efficient way, for all parties. We will consider different providers of such platforms going forward (also in connection with the coming digital product passport).

Our supplier mapping, through Centric or other tools, in this report does not cover our indirect purchases such as office supply, company cars, canteen food etc. We do have clear preferences when carrying out our purchases, for example choosing electrical cars and certified coffee and avoiding disposable products, but we do not have a fixed set-up of requirements yet. Anyhow our head office is Miljøfyrtårn-certified, meaning that we are required to report on these office-related purchasing practices. The report does not cover any form of due diligence work on transport of goods (shipping, trucks, etc). We have not reached this area regarding social issues as of now, but we do collect climate data from our all transport companies (inbound and outbound) for our climate mapping.

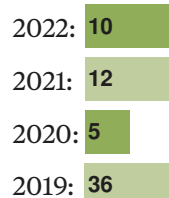
In this reporting year we have not done a mapping of our sourcing of the natural materials that we use, such as cotton and wool. These value chains are long and complex. A few years back we did conduct a mapping of these materials. Our organic cotton comes mainly from India and not from high-risk areas such as the Xinyang Province in China. Our wool comes mainly from Australia and some from South-Africa. But there is a risk that this information can change over time. We have not mapped these materials down to the specific farms they originate from, so we do not have information about the conditions in this production. As we do use small quantities of cotton, this will probably not be a prioritized area for us, other than to continue to focus on using organic cotton in our products and securing that the cotton does not originate from high-risk areas. For wool, we will increase the use of RWS certified wool in the coming years, securing third-party certified chain for custody for the whole supply chain, and consider to cooperate with our wool supplier to carry out a more extensive mapping.

Cooperation in our industry is key. As a small company in a global industry, we do not always have the leverage we would like when addressing issues with our suppliers. But together with others, our voice is stronger. We aim to increase the dialogue with our partners and with our competitors in the textile and outdoor industry, to create improvements in our supply chain. We are already sharing and comparing our supplier lists in several projects with other brands, mostly on climate issues, but also some on social topics.

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## Indicator

### Number of factories visited



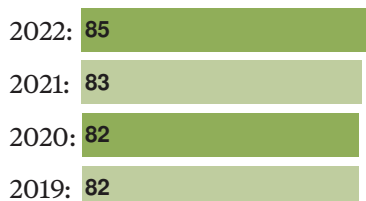
Normally, our own co-workers, either from our main office in Asker, or from our Hong Kong office, carry out regular visits to our suppliers. In 2019 we did in total 70 visits at 36 factories of 26 of our suppliers (tier 1 & tier 2). Our CEO was part of 7 of these factory visits. Such visits include quality control, product development and visual observation on safety, social and environmental issues.

Ever since covid in 2020, travel has been sincerely reduced. Still, we have continued our good dialogue with our suppliers through other channels, such as teams meetings or Whatsapp chat forums. During the periods of lock

down, we also assigned an independent auditing company to visit some factories to do quality assessments, based on a risk profile. In 2022 we have started travelling again, although we are still not on the same number of travels as before covid.

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



We started mapping this question in 2018, when updating our SAQ. In 2022 we carried out a new survey on wages, where worker organisation also was covered. All of our major suppliers in tier 1 suppliers report that they have a form of working committee present at their factories. Some smaller factories says they have not. We will ensure the quality and accuracy of this information when we plan to send out through a new reporting system.

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### ADDITIONAL SEVERE IMPACTS

#### 2.A.3 Describe any other negative 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.

We have continued our mapping of our climate emissions for all scopes 1, 2 and 3 in 2022 - as a big part of our negative impact is the emissions our production of fabrics and products contributes to. We need to map this in order to know where to prioritize our reduction actions. Also, as member of STICA (Swedish Textile Initiative on Climate Action) we have committed to report these emissions annually as well as to initiate actions to reduce our total emissions at least 50 % until 2030. We have already started the dialogue on reducing emissions with both other members of STICA as well as some of our suppliers. We have agreed to participate in a solar energy program i Vietnam and will start the dialogue with our suppliers on this shortly. We are also following a decarbonisation project in the European Outdoor Group (EOG) and have shared our supplier list both in tier 1 and 2, to see if we share suppliers with other brands in order to create grounds for common actions.

When it comes to social impacts; we sometimes find small breaches of our requirements for Environmental Health & Safety when visiting factories during our own inspections These breaches are always reported to our supplier together with an Improvement Action Plan (IAP), which helps our suppliers to implement corrections. Our suppliers also have regular visits from third party auditors. These reports are shared with us, and we follow up improvements from these inspection with our suppliers. We plan to strengthen our supplier mapping with a even more systematic and detailed approach and with help from external partners, and we are looking into collaboration with Sport Holding on this issue.

In September 2022, we were informed about several breaches on our Code of Conduct and ILO working rights standards at one of our suppliers in Myanmar. See more info in chapter 6.A.

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 in similar attire visible 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

<b>Salient issue</b>	<b>Workers rights</b>
<b>Goal :</b>	Secure social dialogue and worker representation at all suppliers
<b>Status :</b>	We continue to have a close cooperation with our suppliers. We have had good results from especially one of our suppliers in China working with Quizrr, so we will continue to work with this social dialogue tool also in 2022, planning to implement to more facilities in Vietnam going forward.
<b>Goals in reporting year :</b>	Continue to use the social dialogue training tool together with Quizrr, to better educate workers on their rights and responsibilities. Evaluate status at current facilities.

#### Completed measures and reasoning :

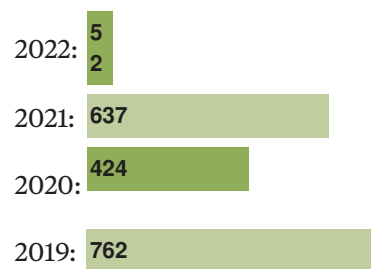
We have been working with Quizrr since 2019. Three of our Chinese suppliers have made use of the social dialogue training tool. The progress has halted somewhat during covid, especially in one of the facilities. One of the facilities has been especially successful during the years, and most workers here have completed many of the different training sessions. The feedback from the evaluation has been very positive from this supplier. Will now look into how we can use this experience moving forward. All three facilities seem to be done with the training this year, unless Quizrr develops new modules for them to complete.

#### Goals and activities for the coming reporting year :

Continue to use the social dialogue training tool together with Quizrr, to better educate workers on their rights and responsibilities. Implement the tool at three new suppliers in Vietnam.

### Indicator

### Number of workers that have completed a workers rights training program



Three of our Chinese suppliers have made use of the Quizrr tool workers training tool. While two of these suppliers seems to be successfully using the tool, the last one have somewhat lower numbers of trained workers. We have to look deeper into the reasons for that. In total 1733 workers have completed 8477 training sessions since we started.

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Salient issue	<b>Environmental impact</b>
Goal :	<ul style="list-style-type: none"> <li>- More sustainable materials and production methods</li> <li>- Measurable environmental improvements in the supply chain</li> <li>- Lead in the transformation to a more circular economy.</li> </ul>
Status :	<p>Increased our share of more sustainable materials, use of better coloring methods</p> <p>Mapping climate emissions for all scopes, looking into collaborative actions</p> <p>Further developing our circular services, including advocacy for better conditions</p>
Goals in reporting year :	<p>Mapping and reporting on our climate emission for Scope 1 (offices and transport), Scope 2 (energy use) and Scope 3 (emissions from supply chain). Continue the work on materials and develop our circular services</p>

#### Completed measures and reasoning :

We have increased the share of recycled materials; we often change from virgin materials to recycled when updating our product versions. We also choose more recycled trimmings when available. We experience that sourcing recycled materials sometimes can be a challenge, due to either quality or delivery issues. We have also continued to use more sustainable production methods like solution dyeing in our Stranda collection. We have continued working the amazing Spinnova materials, mechanically produced from wood fibres without harmful chemicals, looking for ways to implement it in commercial products.

Through our participation in the Swedish Textile Initiative on Climate Action (STICA) we are mapping our climate emissions. In 2022 we reported our emissions for Scope 1, 2 & 3 STICA, who in turn publishes a common and open report for all brand members. This year we experienced an increase in our emissions, mainly due to increased sales numbers, but also due to some more air transport than normal. This was a consequence of challenges in the global shipping industry due to both covid lock downs and the war in Ukraine. We are aiming to again reduce and further eliminate the use of air transport the coming year, as this also results in high costs for our company. We have started a dialogue on a solar panel project in Vietnam with other brands in our industry and we are also following an EOG project on decarbonisation in value chains. We continue to buy Guarantees of Origin for renewable energy for all our own units.

Our circular services on repair, rental, return scheme, second hand sales and redesign are a priority in our sustainability strategy. In 2022 we have developed our repair service by introducing a Service Deal on our Rabot products in collaboration with Sport 1. We have visited numerous places with our repair car during the year - promoting our service and creating awareness about sustainable consumption. We have also campaigned for our return bag, and arranged a second-hand breakfast at our store on Black Friday. This was a great success, and something we will continue to do in 2023, with all our stores. We have visited schools and carried out redesign workshops - realizing that focus on sowing and repair is greatly missed in our education system. We have again advocated for changing or abolishing the law on second hand sales, and participated with insights to the coming EU regulations on textiles, especially concerning the EPR, to decision makers.

#### Goals and activities for the coming reporting year :

- Continue to source more sustainable materials and use production methods
- Continue mapping emissions, use a better digital data collecting platform, engage in solar projects at our suppliers.
- Create a road map for our climate emissions, with clear milestones (STICA requirement for 2023)
- Take the lead in the transformation to a more circular economy, including development of our services and continue advocating for better conditions

<b>Salient issue</b>	<b>Chemical management</b>
<b>Goal :</b>	Safe chemicals – secure RSL compliance and increase bluesign® approved materials for our products.
<b>Status :</b>	Ongoing, RSL is constantly being updated. We have done an extensive amount of work in our CO working group, and collaborated with our industry on phasing out PFAS.
<b>Goals in reporting year :</b>	Increase share of bluesign approved materials. Continue the work on finding alternatives to PFAS. Contribute in the microfiber research project.

**Completed measures and reasoning :**

Our product development team always prioritize sourcing bluesign approved materials. While still increasing the share of bluesign approved fabrics, our developers have also implemented many more bluesign approved trims (zippers, buckles, buttons, thread etc.). Following the implementation our new Product Lifecycle Management system (PLM), we now have better tools to monitor the progress. In 2022 we have again updated our Restricted Substances List (RSL) in accordance with bluesign.

We have been participating in a joint research project - Popfree - initiated by the Swedish research organization RISE, to find and test suitable alternatives to PFAS for our textile finishings (Water repellency). Through this project we have tested alternatives in real life situations at Finse, together with the brand Houdini among others. The project ended in 2022, resulting in great insights and learnings. We continue working with phasing out PFAS in our internal CO working group. We have also started communicating this with a press release, participating in media interviews and through communication flyers in our stores and in eCommerce orders.

Regarding microfibers, we have continued our participation in the TMC research project - sharing our fabrics for testing to their building of a database, among other things. We are also mapping our supply chain partners, and have conducted a survey to receive insights on how they are working with this subject. The topic is still at an early research stage, but we will contribute with what we can to build competence.

**Goals and activities for the coming reporting year :**

- Continue the work on increasing bluesign approved materials and trimmings.
- Launch a commercial product with Spinnova fibers.
- Continue the work in our CO working group on PFAS and develop informative communication to consumers and stakeholders.
- Contribute in the TMC microfiber research project.

<b>Salient issue</b>	<b>Migrant workers / refugees</b>
<b>Goal :</b>	Secure labour and human right at all our suppliers - with special attention to migrant workers.
<b>Status :</b>	Ongoing, constantly under review.
<b>Goals in reporting year :</b>	Secure no bonded or forced labour - look into to areas of risk for migrant workers and refugees.

Completed measures and reasoning :

We have continued to monitor our supply chain regarding potential links to the China's Xinjiang province. In 2021 we conducted a mapping of the cotton used in Bergans products. Our three suppliers producing Bergans' cotton products replied quickly to our request and stated that the majority of the organic cotton used in Bergans products is sourced from India. We have also received the GOTS certificate on the cotton. A minimal amount of conventional cotton is sourced from Australia. Bergans does not use any production facilities in the Xinjiang province.

We can of course never guarantee that our supply chain is in no way linked to the grave human rights abuse of the Uighurs minority. We must rely on the information we receive from our suppliers at this moment. But we will continue to monitor this question going forward.

We are also aware that migrant or refugee workers can pose a risk in our supply chain in Turkey. We have a close dialogue with our supplier in Turkey, and this has not come up as a challenge in their facility at this point.

Goals and activities for the coming reporting year :

Secure no bonded or forced labour - continue to monitor to areas of risk for migrant workers and refugees. Implement digital system for supplier monitoring.

<b>Salient issue</b>	<b>Political crisis</b>
<b>Goal :</b>	Secure safety of workers at our suppliers factories in Myanmar
<b>Status :</b>	The political situation in Myanmar after the military coup continue to have impacts on people in our supply chain.
<b>Goals in reporting year :</b>	We started mapping issues in Myanmar and had plans to team up with NGOs on the ground in Myanmar, and also starting a dialogue with other brands having factories in the country. The military coup in February forced us to take different actions.

**Completed measures and reasoning :**

The political situation in Myanmar after the military coup in 2021 still has impacts on our supply chain and the workers in the facilities. We have two suppliers with three facilities in the country, and our deepest concern is always the safety and well-being of the workers and their families. Throughout the year we have had close contact with our suppliers to get better understanding of the situation locally and to safeguard the security of our workers at the factories. One of our suppliers has also visited our office in Asker in December, giving us good insights from their perspective. We also discussed the reports from Fairwear, and the implemented improvements, that we have described earlier in the report.

As this is an extremely complex and quite an unprecedented situation, and the way forward is not evident, stakeholder dialogues has been both a high priority for us, and utmost helpful. We have had several meetings and a close dialogue with Ethical Trade Norway, we have discussed with other outdoor brands in Norway and Germany, we have again met with the Myanmar manager at H&M, who has great experience and knowledge about the country and up-to-date information from the UN and the EU.

The ETI UK report on Myanmar in September was deeply worrying to read. Especially the conclusion that heightened due diligence in the country is required from companies, and at the same time this is not possible to accomplish. A responsible exit strategy is also required, but this is also challenging. Several companies have been criticized for their exit. At the same time, the ETI report has received critics from SMART Myanmar, among others. They do agree to the severity of the situation, but at the same time they urge companies to stay in the country, saying that heightened due diligence is still possible Both parts state that the consequences of business leaving will be very hard on the workers and their families, and will hit women especially. They disagree about the leverage of the textile industry has on the current military government.

Ethical Trade Norway has facilitated meetings with different stakeholders in Myanmar - in order for us to understand more of the different perspectives on company exit consequences. These

stakeholders include EuroCham in Myanmar, SMART Myanmar, the Confederation of Trade Unions Myanmar (the political opposition in exile), ETI UK, Fairwear and the EU Ambassador in Myanmar, among others. LO the Norwegian People's Aid (Norsk Folkehjelp) has also participated in stakeholder meetings. The advice from the different stakeholders to us as companies are still contradictory to say the least, although they all have the same goal of peace and democracy. We have asked for guidance from the Norwegian government on this issue, but EHN has not yet received any advice from them.

The team in Bergans monitoring the Myanmar situation, consisting of Sustainability, Product and Sourcing department, have provided both our board and our organisation with extensive and updated information both about the situation and what Bergans is doing to tackle it. For now, the management team in Bergans has decided to stay in the country, and to heighten our due diligence through joining the EuroCham and enrol our suppliers in the EU funded MADE Myanmar program, to continue to secure and improve the workers situation, as well as receive direct information on what is happening on the ground.

Goals and activities for the coming reporting year :

We will continue to monitor the situation through dialogue with our suppliers, Ethical Trade Norway, EuroCham, SMART Myanmar and other stakeholders. Through EuroCham we will receive direct information on what is happening on the ground. We will strive to heighten our due diligence, including enrolling our suppliers in the EU funded MADE Myanmar program, with a goal to secure and improve the workers situation. We will also prepare a responsible exit strategy.

## OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

**Describe the company's general measures to cease, prevent or mitigate negative impacts, including in the supply chain.**

### 3.B.1 Reduction of nature- and environmental impact

As mentioned in our CEO's introduction to this report: As an outdoor brand, with nature as our playground, Bergans has both a self-interest in and a responsibility to ensure that the outdoors we have today will be there for the next generation to enjoy. Co-workers in Bergans spends a lot of time out in nature, both in our work time and in our spare time. We know that people who our out in nature, tend to care more for nature. Therefore, in our business strategy, we have stated our mission: "To inspire, enable and share the best outdoor experiences".

Through our own travel operator Bergans Adventures, and through our long-standing cooperation with Den Norske Turistforening (DNT) and the Swedish Friluftsrådet, we inspire people to go outdoors and experience nature - and our goal is always to enable a sustainable outdoor life ("leave nothing behind but tracks").

As already stated in this report, Bergans does extensive work on chemical management, and is committed to the Bluesign system witch guaranties avoiding harmful chemicals ahead of regulations. We have come a long way in phasing out fluor carbons in our products. We participate in research programs on microfiber, together with suppliers, research partners, test institutes and other brands. We have started mapping the awareness of the topic among our fabric suppliers, and some of them have already started testing and implemented actions. All our fabric suppliers are obliged to have wastewater treatment systems, and some are using these systems for preliminary testing of microfiber shedding in production.

Regarding the use of animal-derived materials, our animal welfare policy in our Code of Conduct is very clear: all animals in our supply chain shall be treated humanely and according to strict regulations. Bergans only accepts virgin down certified by the Responsible Down Standard (RDS) and recycled down in our products. We demand that all virgin down included in our products must be a by-product of the food industry. We do not in any circumstances tolerate "live-plucking" of down. When it comes to wool, Bergans does not accept the practice of "mulesing", and we require certificates from our suppliers to ensure mulesing-free practices. We are moving rapidly towards our goal to only purchase wool certified by the Responsible Wool Standard (RWS) or recycled wool. Bergans does not use fur, either from animals or synthetic, the latter due to the risk of shedding of microplastics.

The use of water in the textile industry has a severe impact on water scarcity in many areas of the world. This is both a case in the cultivation of natural resources such as cotton, but also the production of textiles has a great impact, especially in the dyeing and finishing processes. Bergans does not use a great amount of cotton, and close to all the cotton we do use is certified organic cotton. We are using more sustainable dyeing technology on some of our products, such as SpinDye, which reduces the use of water up to 75 %. Also, the Spinnova material uses less water in production. We will investigate in more actions regarding water usage going forward.

Bergans is a member the European Outdoor Conservation Association (EOCA), a charitable organisation created by the European outdoor industry - working together giving something back into the environment that we all care about so passionately - as well as depended on for our livelihood. The EOCA directly funds specific grassroot projects concerning threatened wild areas, species and habitats. This may include for example moorland, hills, mountains, coasts, rivers, forest, grassland, peatland, lakes and ocean areas. During the last 15 years the EOCA has funded 141 projects, in 54 countries, to the tune of nearly €4 million.

When it comes to packaging, we use recycled materials in our polybags, eCommerce bags, return bags (pantepose), and shopping bags. We are a part of the EOG Single-use plastic program, and in 2022 we participated in a project where we reduced the use of polybags in our eCommerce. This was followed by a customer survey, with great feedback. Bergans is a member of Grønt Punkt Norge (EPR) and Handelens Miljøfond, paying 1 kr per shopping bag. Handelens Miljøfond is Norway's largest private environmental fund, supporting projects that reduce plastic littering, increase plastic recycling and reduce the consumption of plastic carrier bags.

### 3.B.2 Reduction of greenhouse gas emissions

The global textile industry, of which Bergans is a part, contributes to significant greenhouse gas emissions, and thus to global warming. At the same time, the industry is contributing to an ever-increasing consumption and an increasing amount of waste. We are aware that we are part of the problem, therefore we have a responsibility to be part of the solution.

Bergans is actively working to reduce our emissions while offering services that extend the life of our products. To reduce emissions, we are firstly mapping our emissions in scope 1, 2 and 3 - and have committed via STICA to reduce these emissions in line of the Paris agreement. In addition, we are participating in a project regarding solar energy at our suppliers in Vietnam, and we are joining a Decarbonisation project together with brands in the EOG, looking into actions at our tier 2 suppliers in Taiwan. We are also constantly investing in more sustainable quality materials, more sustainable colouring technologies and buying renewable energy for our own operations. Lastly, we always design our products with high quality standards, made to last and made to repair - and we offer services that prolong the life of our products and are at the forefront promoting a more circular services in Norway. (see more above).

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

Our purchase department always has a good and constant dialogue with our suppliers concerning delivery times. It is our suppliers who set the time frame from our order deadlines to their delivery dates, which forms the base of our time planning for a new collection. Since we most often use a rather small part of the total capacity in these factories, we have to accept the time frame set by the supplier and are not in a position to push any deadlines. This is also the case when it comes to our fabric suppliers. We plan our time frames with good margins, and we forecast the volume (meter, yards) in good time. There are long lead times on fabrics, and as we nominate all our own fabrics, good and close communication with our fabric suppliers is a natural part of the daily work of our fabric team and our purchase department.

Still, due to the pandemic the logistics situation has been challenging in 2022. The Shanghai harbor was for instance closed down several times between March and June. Our Purchase department has been in a constant dialogue with our vendors to monitor and adjust shipping dates. We have not been able to use train transport as an alternative since the war in Ukraine started in February. In addition, the war has resulted in chaos at sea, and at the harbors in Rotterdam and Hamburg. Also, there has been a lack of truck drivers, as many have returned Ukraine to become soldiers in the war. Post covid also resulted in a higher demand of goods, which in turn has created bottle necks in the transport industry.

As a consequence of these logistic disruptions, we now place orders much earlier than we have been used to before. This gives the vendors more room to prepare their production planning in a demanding situation.

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## Indicator

### Percentage of payments to suppliers that are made on time



This is not an issue in our value chain since we always pay our suppliers on time. This is also the case during covid, and we have not cancelled any orders during this period. Also, we have still payed on time, and even



sometimes up front, even in cases where the deliveries have been delayed. This was for example the case when we had delivery issues because of the closing of Shanghai harbor this year and the challenges created in shipping because of the war in Ukraine.

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### **3.B.4 Choice of products and certifications**

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

- bluesign: constantly increasing the share of bluesign approved materials
- Solution Dye: we have continued to use SpinDye for our ski collection, saving water, chemicals and energy under the dyeing process
- We have come a long way with our CO project, phasing out the use of PFAS for the water-repellent treatment
- Down: All our virgin down is certified after the Responsible Down Standard (RDS), if it's not recycled down from Re:down
- Wool: We always demand non-mulesing certificates from all our wool suppliers and we have a good progress in integrating the Responsible Wool Standard (RWS) in our product line. These are chain-of-custody certifications, and we have been re-certified in 2022.
- We require certificates for recycled materials (Global Recycled Standard GRS) and for organic content (Global Organic Textile Standard GOTS)
- We have developed and used a new and wood-based and more sustainably produced fibre (without any hazardous chemicals) together with a Finnish partner (Spinnova). This material will now be used in a commercial product.
- We always design our products with high quality standards, made to last and also made for repair.
- We test all our fabrics in our in-house lab, though a number of different quality tests.
- In 2023 we will prepare for the digital product passport, and implement a new platform (certificate manager) in order to secure the documentation on all certifications in a better way.

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### **3.B.5 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 our Code of Conduct, we very clearly state our requirements to our suppliers on freedom of association and the right to collective bargaining. This can be found in paragraph 2.1 - 2.4, based on the ILO Conventions no. 87, 98, 135 and 154. Workers at our suppliers shall, among other things, have the right to join or form trade unions of their own choosing and to bargain collectively.

We have mapped our suppliers on the presence of worker committees, and most of our suppliers state that they have this in place at the facilities. What kind of role, responsibilities, mandate and leverage the committees have seem to differ. In our recent mapping on wages, not many of our suppliers state that workers committees take part in collective bargaining. Our training project together with Quizrr focuses on social dialogue as a valuable tool to create an effective dialogue between workers and the factory management - also about wages (we have described the Quizrr program earlier in the report.) The importance of worker organisation, and the quality and effectiveness of these committees, will be an important part of the Living Wage Working Group moving forward.

### **3.B.6 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain**

As mentioned earlier, all new co-workers in Bergans receive sustainability training. Internal communication channels, such as Workplace, the bi-yearly Sales meeting and other common meetings are heavily used for communicating a wide variation of sustainability topics. The Sustainability team and the Purchase team participate in trainings run by Ethical Trade Norway. There is a good dialogue between the repair team and the product department, and the Tour de Sy team give regularly updates to the product team with learnings from repair stories from Norwegian consumers. The Sustainability team stays updated on relevant topics from Virke, EOG, SOG, Ethical Trade Norway, NF&TA and other networks and stakeholders. We are also always positive to sharing our own knowledge and experience in the same networks - and also to pupils, students, teachers, other businesses, politicians and other decision makers.

Regarding our suppliers, we have continued to use a workers training tool (Quizrr) to better educate workers on their rights and responsibilities and to increase social dialogue in three of our Chinese factories. 1733 workers have completed 8477 training sessions so far. The plan is now to start the program in more facilities in Vietnam. We have also informed our suppliers about the Norwegian Transparency Act. Through our mapping on climate emissions, renewable energy, microplastics and living wage, we are also creating awareness at our suppliers about these topics.

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### **3.B.7 Combatting corruption and bribery in own company and supply chain.**

Our rules and guidelines for corruption and bribery for Bergans co-workers are stated in our Ethical Guidelines for Employees (staff manual) in Simployer. All new co-workers are introduced for these guidelines. The HR department is implementing new procedures on digital signing of the guidelines for all co-workers shortly.

Bergans' position and guidelines on corruption is also stated in our Policy for Sustainable Business Practices. In our Code of Conduct, a document all suppliers must read and sign before we enter into any form of business relations, the following is stated in paragraph 16.1: "Corruption in any form is not accepted. That includes any form for bribery, extortion, kickbacks, or improper benefits (private or professional) to any customers, agents, sub-suppliers (or employers of such parties), as well as government officials."

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### **3.B.8 Other relevant information concerning the company's work to reduce, prevent, and manage negative impact on people, society and environment**

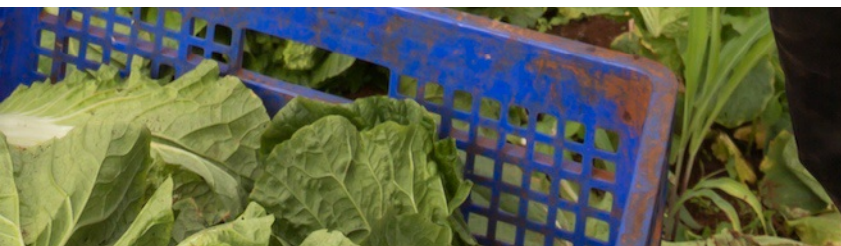
We are following the development in the EU regarding the Green Deal and the Circular Economy Package. We are positive to all the frameworks and regulations coming, as we firmly believe that regulations will contribute to both levelling the playing field for companies, give the consumers better possibility of informed sustainable choices, and move the whole textile industry faster towards more sustainable business practices. We take part and give our insights where we can, we are for example part of the Virke reference group on extended producer responsibility on textiles in Norway.



## 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**

We have two employees in our Hong Kong office who have frequent contact with our suppliers. They are on regular visits to their facilities to conduct quality controls and to monitor the situation regarding workers' rights, environmental and health & safety. After every inspection, they set up improvement action plans and secure their follow-up together with the supplier. During the pandemic this has proven difficult, but in 2022 they started travelling again to some extent. We have also continued the dialogue with our suppliers through different digital means, and we have made some use of external auditing companies, mainly to carry out quality control of our products.

Our Supply Chain department are the main contacts towards our suppliers and responsible for all business relations including order placements, pricing, production, and delivery as well as payment terms. The employees in our Product Design & Development department have a tight dialogue with our suppliers regarding product development and are also visiting the factories to assist during the phase of product development and specification and sample production, as well as for quality checks during the initial phase of production. Visual observation on social issues is part of all visits done by Bergans employees.

The sustainability department is responsible for following up Code of Conduct, Factory Profile, Self-Assessment Questionnaire, chemical management, audits, and projects concerning social dialogue, community involvement and climate action. We have now started the dialogue on how we can better collaborate on supplier management together with the team in Sport Holding.

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

Our supply chain set-up with a limited number of suppliers, our focus on long-term and close relationship, and the routines we have established through many years, form the basis for our risk management in our value chain. Through our due diligence work we have mapped social dialogue and environmental & climate action as our main focus areas.

To deal with these we participate in larger projects and initiatives together with industry peers and other stakeholders. Projects like Quizrr enables us to assess the number of workers that is educated in rights and responsibilities. The emissions mapping within STICA gives the possibility to evaluate our progress in terms of a more sustainable textile production. The reporting for Ethical Trade Norway provides us with a very valuable framework for constantly monitoring our due diligence work.



## 5

# Communicate how negative 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 accessible, 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 about managing negative impact

We strongly believe in transparency and have an expressed goal to always have an open and transparent communication around all issues and challenges regarding our impact on people, nature, and climate. Transparency is also important to us in our internal communication; our co-workers shall be the first to know.

Our most important stakeholders are our suppliers. It is essential for us to have long-term and resilient relationships with our partners in our supply chain. We have had a long cooperation over many years with most of our suppliers, meaning we know each other well. We have regularly Teams meetings with them, and we visit them about once a year, sometimes more often. Our dialogues are based on mutual respect and understanding. This is important when developing technical garments and outdoor equipment - this takes time and great effort, and we are dependent on collaboration and good competence at our tier 1 partners. In addition, we also have direct dialogues with our tier 2 suppliers, as we nominate all fabrics and trimmings in the products we design and develop, and never order ready-made products. All this gives us a good platform and good leverage to address challenges should they arise.

As previously mentioned, we always carry out visual observations and dialogue about social and environmental issues during our visits and develop an Improvement Action Plan together with the supplier. Also, we always have a preparation meeting ahead of any travel from the main office, between the Sustainability department and the co-workers travelling. This is to plan any issues we want to be raised with the supplier. We always have a debriefing after all travels as well. In our experience, our suppliers are eager and positive to discuss these issues with us, either via e-mail, teams or at visits, and to correct and improve any issues that may occur.

We continue the dialogue with different stakeholders such as our suppliers, NGOs, research institutes, organizations, other businesses and networks within the industry, and policy makers. We always respond to any inquiries from NGOs or media and actively contact stakeholders and seek advice when we face new challenges or need further knowledge or insight. This is also the case with the situation in Myanmar, where we have had an even closer communication with our suppliers and other stakeholders in the country these past few years - see our detailed descriptions in this report. Our partnerships with Ethical Trade Norway, DNT, Friluftsrådet and EOCA supports us in working towards our sustainability goals.

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### **5.A.2 Describe how the company publicly communicates its own work on identifying and managing negative impact/harm**

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

<https://www.bergans.com/no/baerekraft>

Our yearly reporting to Ethical Trade Norway is honest, open and extensive, and it is available both on Ethical trade Norway's web page, as well as our own:

<https://www.bergans.com/no/baerekraft/verdikjede/menneskene>

Our climate reporting is done through our partnership with STICA. A yearly report is published at their web page, including our numbers:

<https://sustainablefashionacademy.org/stica/annual-reports/>

This is also linked from our own web page:

<https://www.bergans.com/no/baerekraft/verdikjede/klimatiltak>

We always respond rapidly to NGO, authority or media inquiries, and also to our customer's concerns in our stores, via e-mail or through social media. We participate in numerous of seminars, webinars, conferences, and school and university visits during the year - sharing our experiences to the public. We are part of many networks where we both communicate our efforts, are part of the dialogue and learn from others. These networks are Ethical Trade Norway, Virke, STICA, NF&TA, Scandinavian Outdoor Group (SOG), European Outdoor Group (EOG), Kemikaliegruppen, and Næring for Klima, among others. We have also shared information and explained about the Transparency Act to textile companies outside of Norway in these networks.

We also strive to be proactive in our actions and communication, rather than reactive. Our vision is to "lead and inspire towards a more sustainable future" - thus we want to be a part of the discussion and contribute to set the agenda. However, when it comes to the Myanmar situation, we made a conscious decision to not proactively communicate externally (except form this reporting), in order to prevent potential negative impacts on the safety of the workers at our factories.

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### **5.A.3 Describe the company's routines for maintaining and answering external inquiries related to the information requirement imposed by the Transparency Act**

To prepare for the Transparency Act, we updated our web page spring 2022 with more extensive information on our due diligence work. We also made it more clear how customers can contact us if they have questions regarding our work, including an e-mail address: <https://www.bergans.com/no/baerekraft/verdikjede>

The link to our reporting is also easily accessible for our customers:

<https://www.bergans.com/no/baerekraft/verdikjede/menneskene>

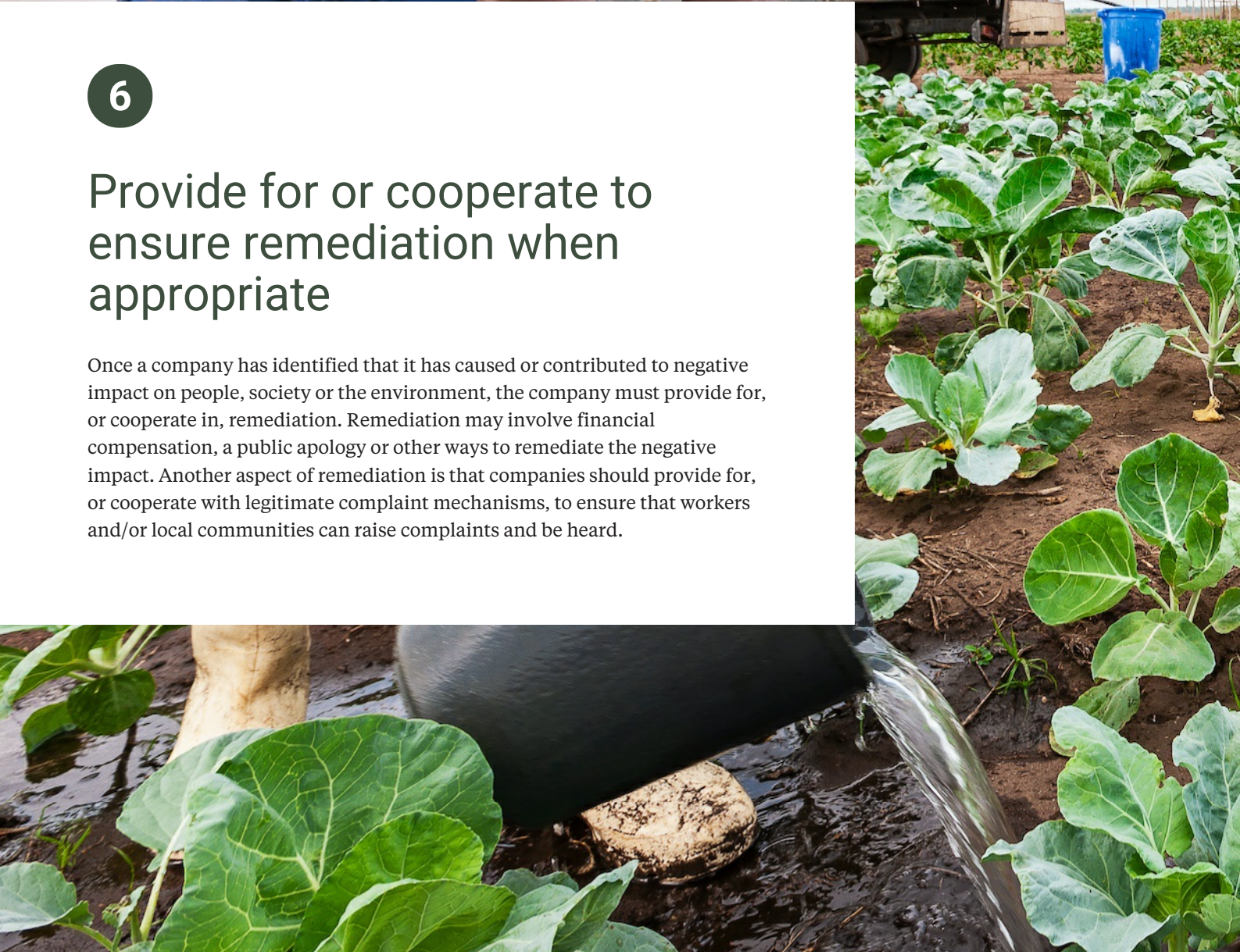
We established a guideline for customer service on how to handle enquirers connected to the Transparency act, which mainly consists of forwarding them to the Sustainability team. This is also the case for anyone in the company receiving questions from stakeholders, be it co-workers in our stores, Social media co-workers or the PR manager. The whole organisation has been informed about the law on several occasions in good time before the law came into force, and relevant co-workers have received the guidelines, more explanatory information, and have been encouraged to read and get to know the new web page. We have also informed our suppliers.



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 of remediation 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

In our Policy for Sustainable Business Practice, we underline our own obligation on due diligence, that is: "Bergans will conduct due diligence for sustainable business practices. That is: make our own risk mapping of negative impact on people, society and the environment, and stop, prevent and reduce such impact. The measures are monitored, evaluated and communicated to affected. Where our activities cause or contribute to a negative impact on people, society or the environment, we shall stop this activity and we will seek to remediate the damage. Where the supplier is responsible for the negative impact / damage, the supplier is also responsible for remediation."

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

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

Going forward, we see the need to establish more clear routines and written guidelines for grievance mechanisms and remediation, and how to handle potential severe breaches that may occur. We do believe that we both have experience and the "right mind" in handling such issues today, but we lack the written routines. This we will implement during 2023, firstly for Myanmar within the MADE Myanmar framework.

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

In September 2022, we were informed about several breaches on our Code of Conduct and ILO working rights standards at one of our suppliers in Myanmar. We were contacted by two other outdoor brands, which reached out to us and one more brand, as we shared the same supplier. The breaches were reported through a Fair Wear audit and concerned mainly wages below minimum wage to so-called "daily workers", who also did not have proper contracts. This concrete issue was also raised at a webinar about Myanmar by ETI UK, as a common issue in the country, that had its roots in both covid, the coop and high inflation in general. The audit also raised other malpractices at the facility, such as harassment, inappropriate handling of occupational accident, non-compliance with health and safety requirements and verbal abuses by superiors. Firstly, our three brands met though teams, discussing the findings, and appropriate actions to be taken. We agreed to send a joint letter to the supplier addressing the issues, signed by our three CEOs. Together the three brands have quite high leverage at the facility in question.

We received firstly a rapid response from the supplier - stating that they were already taking the audit very seriously, and later we received a longer description of implemented actions to create improvements and remediation. The daily workers had received contracts and at least minimum wages (some of them had allegedly been trainees), and the bonus program of the factory. The facility had also hired a CSR manager and a new HR manager, implemented training programs for supervisors and grievance mechanisms, and established an OHS Committee with the help of SMART Myanmar, including training sessions.

The three brands have continued the dialogue - both with each other and the supplier. Since Fair Wear has left the county, they can no longer follow up the supplier with new visits. SMART Myanmar has taken over this work and will continue to monitor the development. Bergans has joined EuroCham and will through this membership urge all suppliers in Myanmar to join the new MADE Myanmar program from SMART Myanmar. Through the continued dialogue, the brands have raised the issue of high inflation, and that the minimum wage is not sufficient to cover living costs for the workers. In December the supplier visited Europe during ISPO, and took the time to visit all three brands in Germany and Norway. We continued the dialogue on wages, and have a better understanding for the supplier's perspective, and we were also told that raising bonuses is an easier way to raise payments in the current situation. But we will continue this dialogue on wages and other issues, through EuroCham and MADE going forward.

## 6.B. Ensure access to grievance 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 needed

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

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

All of our suppliers have stated, by responding to our extensive Sustainability Assessment Questionnaire (SAQ), that their facilities have a "complaint system so that workers can bring environmental or work-related concerns, complaints or grievances to the management's attention" and that workers can "file complaints confidentially, without fear or reprisal". Most suppliers respond that they have a form of suggestion box and a working or welfare committee for this purpose, other suppliers are Fair Wear audited and therefore have implemented the Fair Wear helplines to voice their concerns or complaints. The Fair Wear Foundation has mechanisms in place in order to handle complaints and finding appropriate solutions. As stated in 4.A.1, our co-workers in our Hong Kong office visit our suppliers regularly, and after every inspection they set up an Improvement Action Plan (IAP) which is communicated to our Main office in Norway, and followed up together with the supplier. These issues are also subject to discussions and dialogue when co-workers from our Purchase or Product department visit our facilities. For example, during their last visit to our Vietnam suppliers, our co-workers from the Product department were introduced to how the Unions had secured that all workers took leave with pay during the common holidays.

Regarding the case of Myanmar, both our suppliers were Fair Wear audited. Fair Wear has left the country, but the helplines are still functioning for the time being. The new MADE Myanmar program will establish and run a new grievance hotline, and Bergans' suppliers will be a part of this.

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