

A scenic coastal view at sunset. In the foreground, a paved road curves along a cliffside, with three cyclists riding down it. To the left, a large body of water stretches towards the horizon, with a rocky breakwater extending into the sea. In the background, a city skyline is visible against the setting sun, with mountains in the distance. The sky is filled with soft, golden light from the sunset. The overall atmosphere is peaceful and active.

# ACTIVE BRANDS

## ESG IMPACT REPORT 2023



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## About this report

Active Brands Environmental, Social and Governance impact report, which has been prepared with reference to the Global Reporting Initiative standard GRI (Appendix 1), provides details on our progress, strategy, targets, and internal approach to environmental, social, and governance topics.

The report encompasses the performance and future aspirations of our global operations, which include our offices, retail stores, e-commerce, and supply chain, comprising manufacturing and distribution logistics. The report pertains to the fiscal year 2023, running from January 1<sup>st</sup> to December 31<sup>st</sup>.

The report complements Active Brands Financial Statement 2023 and pertains to all entities owned by the group unless otherwise specified; Active Brands AS, Active Brands Butikkdrift AS, Nordic Active Brands AB, Active Brands Shanghai Ltd, Active Brands Danmark Aps, Active Brands North America Inc, Active Brands Finland Oy, Active Brands Germany GmbH, Lillesetra AS (51%) and Akbran AS (51%).





## Foreword

Dear Stakeholders,

We are pleased to share our annual ESG impact report for the year 2023. Despite facing significant industry challenges such as global inflation impacting our supply chain partners and decreasing consumer confidence in key markets, along with ongoing geopolitical tensions and the increasingly tangible effects of climate change in manufacturing countries and key markets, we have persevered and made notable progress within our ESG agenda.

Throughout the year, we navigated shifting market dynamics while advancing our commitments to our ESG principles. Active Brands became a bluesign® system partner, expanded our adoption of lower impact materials, and formed strategic partnerships with organizations both for own operations and within our supply chain network to ensure the adoption of renewable energy sources.

In 2023 we began our first business relationship with a manufacturer in Bangladesh, and thereby signed the International Accord in Bangladesh, our partner already being a member of their program. While continuing our dedication to uphold internationally recognized standards among our business partnerships, regardless of location. Our commitment to stakeholder engagement remains steady, as we recognize the pivotal role each partner plays in our collective journey toward sustainability.

At Active Brands, promoting holistic well-being is not just a goal—it's a way of life! Through collaborative efforts with like-minded organizations and communities, our brands strive to empower individuals to embrace activities that foster positive health outcomes year-round.

We firmly believe that conducting business sustainably is not just a corporate obligation but a fundamental driver of long-term success. While navigating forthcoming regulatory frameworks related to ESG poses challenges, we view these measures as essential for fostering a more leveled business landscape. Indeed, those who prioritize sustainability will emerge as the forerunners of tomorrow's success stories.

As we reflect on our accomplishments and challenges of the past year, we remain steadfast in our commitment to sustainable practices and look forward to continued progress in the years ahead.

Sincerely,

Øystein Bråta  
Chief Executive Officer, Active Brands

## Who we are

Active Brands was founded in 2009 to serve as a platform for incubating and accelerating sustainable outdoor sports brands into global leaders. Our mission is to inspire an active lifestyle in the outdoors for professional and everyday athletes through our brands. We currently have eight brands, that design, develop, and market high-quality outdoor sports products and activewear. As a company from Norway, we are experienced in all types of weather conditions and embrace nature's challenges.

Our largest product category is textiles, which includes a range of products from accessories such as socks and beanies to base layers and outerwear with down jackets and technical shells. Additionally, our brands Åsnes and Sweet Protection focus on hard goods such as skis, poles, helmets, protection, and eyewear in their portfolio.

Active Brands is a non-subsidiary, independent company with our Head Quarters in Oslo, Norway.



The brands in our portfolio includes:

KARITRAA

Female-only outdoor sports brand founded by Olympic Gold medalist Kari Traa in 2002. The brand makes iconic designs with a strong, authentic purpose to inspire and empower women.

Sweet Protection

Combines industry leading innovation with best-in-class designs since 2000. Makes highly advanced helmets, eyewear and technical apparel for Bike, Paddle and Ski.

johaug

A feminine hardcore training brand founded by elite endurance athlete Therese Johaug in 2012.

DÆHLIE

Leading high-performance endurance sports apparel brand enabling athletes to maximize their performance. Founded by cross-country skiing legend Bjørn Dæhlie in 1996.

Åsnes

Leading provider of backcountry skis with a 99-year history and supplier of choice for polar explorers.

BULA

Captain of accessories in the Nordics with an attitude and lifestyle to inspire the good life.

PILAGO

Unisex sportswear brand offering value products for the whole family. Targeting the ones seeking a sporty yet affordable look

vossatassar

Brand born in Voss making colorful clothing for active kids

## Our purpose

Through our brands,  
we inspire an active  
lifestyle in the outdoors  
for professional and  
everyday athletes.



Active Brands mission

Active Brands acts as the platform for incubating and accelerating strong and sustainable outdoor sports brands into global leaders.



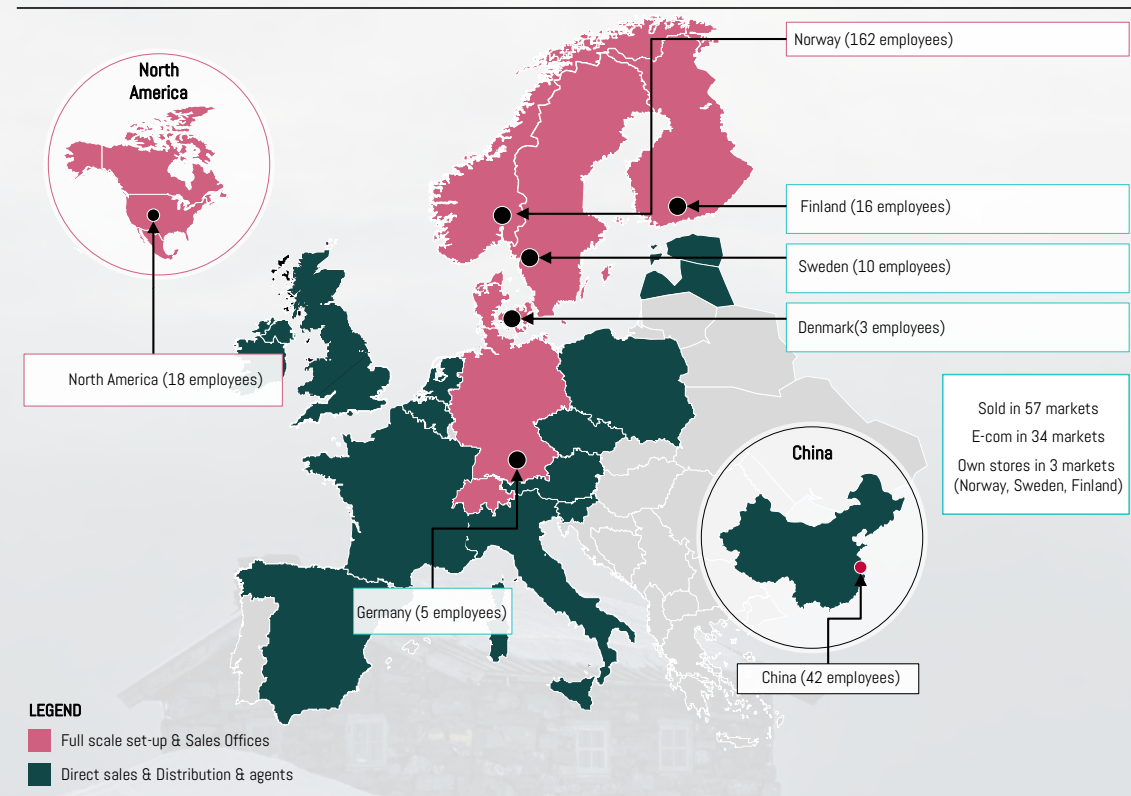
## Active Brands at a glance

Active Brands operates across multiple locations to serve our global customer base. Our headquarters is based in Oslo, where most of our main functions are situated, including sales, marketing, and product design and development. Our hardgoods product design and development teams are also located in Trysil and Voss, which includes other functions such as customer service.

In addition to our Norwegian offices, we have a location in Denver, serving the whole North American market, with key functions and sales reps working both cross-brand and brand-specific. We also have a location in Munich that handles central Europe and sales offices in Sweden, Denmark and Finland.

Our sourcing office is based in Shanghai and is responsible for overseeing production, development, quality control, and environmental and social areas with our supply chain partners in Asia. All of our product and material manufacturing is conducted by third parties, mainly located in Asia, with some parts in Europe.

Our key markets are The Nordics, North America and the DACH region, where we provide our products via distributors, own e-com and own stores.





## Our approach

Driving a positive impact for people and the environment is a central part of Active Brands' mission, and one out of five strategic priorities. We hold ourselves accountable for the environmental footprint we leave behind us and strive to improve the wellbeing of people whose lives we touch throughout our operations. We seek to ensure everyone has a voice and maintain a culture where environmental and social responsibility is also beneficial for our business, with policies that align with our values and direction. We believe transparency and collaboration are essential for constant improvement and achieving our goals.

To ensure that we take a comprehensive approach to all significant environmental and social impacts, we use the Sustainable Development Goals (SDGs)<sup>1</sup> as our compass. We focus on the SDGs that are most relevant to our operations to guide our efforts.



<sup>1</sup> Strengthen resilience and adaptive capacity to climate-related hazards & natural disaster in all countries (13.1) Achieve sustainable management and efficient use of natural resources (12.2) and reduce waste generation through prevention, reduction, recycling and reuse (12.5) Protect labor rights and promote safe and secure working environments for all workers (8.8), and facilitate equal pay for work of equal value (8.5). Take measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour(8.7) Promote mental health and wellbeing (3.4) End all forms of discrimination against all women and girls (5.1). Ensure women's full and effective participation and equal opportunity for leadership at all levels of decision-making (5.5). Mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals (17.16).

## Governance structure

Improvement and change in all areas of our business require a robust internal engagement structure and leadership support. ESG is fully integrated into our operational structure. The ESG manager reports to the COO, who oversees ESG responsibilities at the C-suite level. Placing the ESG department within Operations fosters direct collaboration with key departments such as Product Development, Sourcing, Logistics, HR, and Finance. These departments also carry direct ESG accountability within their domains, driving the company's climate agenda, integrating environmental and human rights perspectives into their daily operations, and gathering ESG-related data.

Sourcing and supply chain related ESG matters fall under the responsibility of the sourcing director, who closely collaborates with the ESG manager and operational leadership team to shape sourcing strategy, manage supplier portfolios, and drive ESG initiatives. Additionally, the sourcing team includes a dedicated ESG representative, responsible for monitoring and advancing ESG topics in collaboration with supply chain partners. The brand's general managers have ultimate responsibility for brand specific ESG concerns and oversee the implementation of an ESG strategy, with defined targets and KPIs.

Furthermore, we encourage and expect our leaders to stay informed about ESG issues and potential impacts on the business, and they continuously update their knowledge in these areas. To support this effort, our owners organize leadership meetings and conferences throughout the year, providing a platform to share and increase awareness of ESG issues.

Across the organization, people from different functions are involved in the ESG agenda, contributing to specific projects and initiatives aimed at driving improvements and executing the ESG strategy. Working groups provide support to raise awareness of sustainability internally and serve as change agents to help us achieve our ESG targets.

## Policies and standards

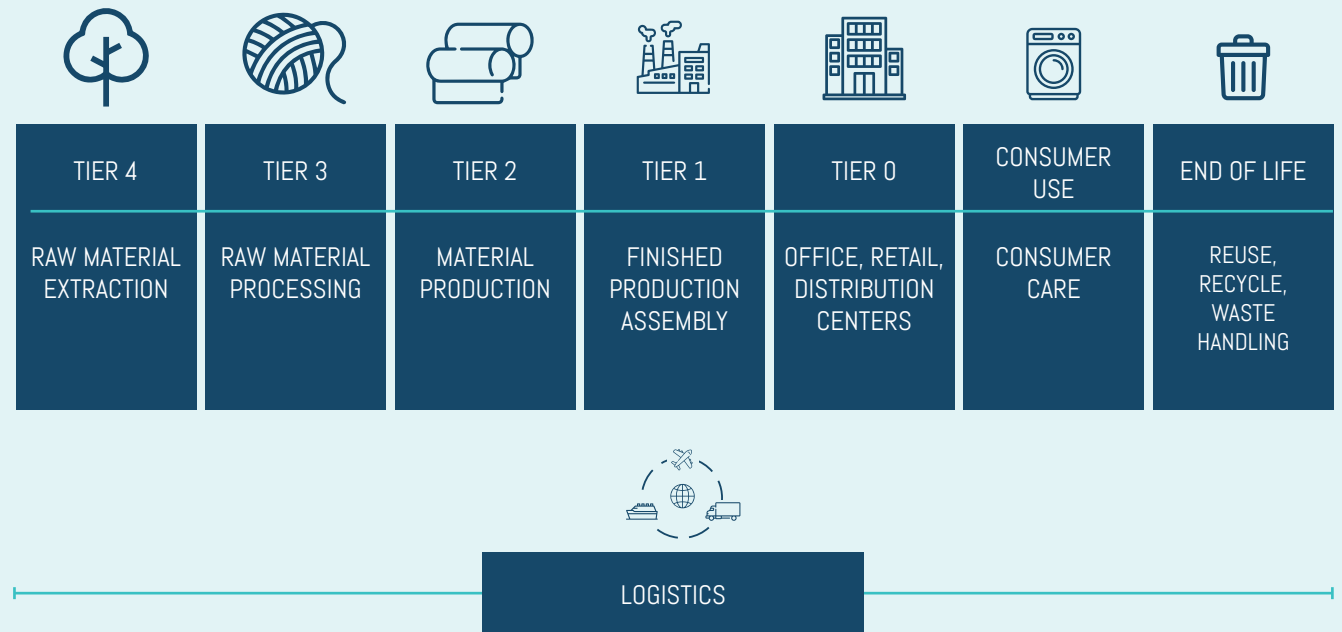
Our commitment to operate responsibly in the way we do business is anchored in our steering documents towards both internal employees and external business partners. We are committed to acting ethically throughout our business and will always view our actions through this lens. All our key steering documents are approved by the board and operationalized through communication, training and utilized in our due diligence assessments. We have policies and standards referring both to our business conduct internally and externally, including what we set as a minimum requirement towards business partners. In 2023 we didn't add any new policies but focused on further operationalizing our "Responsible Business Conduct Policy" with a comprehensive internal routine for due diligence. This ensures that we can navigate and adhere to a rigorous due diligence process, empowering us to act in alignment with our core principles.

GENERAL	THEMATIC
Internal Code of Conduct	HR Handbook
	Whistleblowing Policy
Responsible Business Conduct Policy	Internal Routines for Due Diligence
	Corruption and Sanction Policy
	Material Standard
Supplier Code of Conduct	Supplier SAQ
	SOP and agreement Anti-Bribery
	SOP Child Labor
	Quality requirements incl RSL

## Identifying social and environmental material topics

Throughout the value chain we have opportunities to improve our social and environmental impact or risks of contributing to negative ones. We seek to understand the social and environmental context in which we operate and the issues that matter most in our industry to drive contribution towards a sustainable transformation. Our value chain impact stretches from the choices we make already when planning our collections, which usually begins two years before the product reaches the market, to farm and raw materials, material- and product assembling and out to our customers until the product reaches end of life. The possibility to drive improvements in our value chain will vary depending on the level of our influence in the different stages.

Our material topics (Appendix 2) have been identified by reviewing OECD's sector risks for our industry, literature studies, peer-company benchmarking and stakeholder engagement. To identify which of the material topics that are most relevant for Active Brands we are conducting risk and opportunity analyses on both environmental and social areas throughout our value chain. Risks are considered regarding an outward-facing approach focused on severity to people, environment and likelihood of adverse impacts. The material topics, including related risks and opportunities, have been assessed within each phase of our value chain, considering our specific activities in that phase, raw material mix, geographical locations and related processes. The weighting of the impact does not consider our current mitigation



practices in place and, especially risks, are considered regarding whether we are directly linked, causing or contributing to the impact throughout our value chain. To weigh and prioritize our material topics we have relied on literature studies (reference list Appendix 3) and stakeholder engagement with relevant groups.

Through the assessment we identified more than 90 risk and opportunities areas, linked to the material topics in our value chain, which will or can cause or contribute to an impact on people and the environment (Appendix 4).

Material Topics with several high risks in our value chain are the following:

- CLIMATE CHANGE
- CHEMICAL MANAGEMENT & POLLUTION
- MATERIAL & PRODUCT LONGEVITY
- HEALTH, SAFETY & WELLBEING
- FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING
- WORKERS & HUMAN RIGHTS, INCL WAGES & WORKING TIME

Although some material topics may carry few risks, they could potentially have severe consequences. Hence, we consider those areas as material for Active Brands. Moreover, we have identified certain material topics with significant opportunities, even though they may not be identified as the most material for Active Brands. We have included such areas with the largest opportunities in our ESG



## Stakeholder engagement

To us, stakeholders are defined as individuals, groups, or entities who impact or are affected by our operations and decisions. Collaboration and engagement with our stakeholders are an essential component of our ESG strategy, helping us to set priorities and make informed decisions. We believe in building strong and meaningful relationships with our stakeholders, ensuring that their perspectives are reflected and that we support and learn from each other to drive sustainable solutions. Stakeholder engagement is an ongoing process at our company, and we utilize both formal and informal channels, such as meetings and surveys, to ensure that we maintain open lines of communication and engagement. Our key stakeholders are:

Stakeholder Group	Arena of Engagement
Employees	We track the pulse among our employees on a weekly basis via a short online survey every Friday, including opportunity for feedback on work situations, perceived satisfaction, and contribution to sustainability. We also seek feedback and input on ESG specific topics via internal meetings, trainings, and workshops.
Owners	ESG is a topic at every board meeting occurring at minimum quarterly, where the board receives a general update, gives feedback and discusses specific areas to assure ESG maintains central to the company's objectives.
Customers & Consumers	The largest part of our business is B2B where we have a dialogue with our key customers both informally, via surveys and reports. We communicate with end consumers via our consumer excellence team and focus groups.
Regulators	We always aim to stay ahead of upcoming regulations and directives which can impact our business directly or partners we are linked to. We stay informed on regulatory topics via industry organizations, supplier and customer dialogue and official government resources.
NGOs, Industry Interest Groups and Peer-Companies	We are engaging in several multi stakeholder networks and organizations which support us to reflect and consider both current and future relevant ESG topics, as well as seeking advice and feedback on our strategic priorities.
Suppliers and Supply Chain Workers	In our supply chain we are touching the lives of many more people than what we do within our own company and our environmental impact also has its largest footprint here. We rely on close relationships with our supply chain partners and we have a constant dialogue directly with factories. We also receive insights via audits, grievance mechanisms, worker interviews and workers' rights organizations.

# Our ESG framework

We are setting our northern star towards zero emissions, zero waste and zero inequality. To reach towards these goals we have identified four key pillars as the focus areas for our ESG initiatives. However, we fully recognize the interdependencies between the different areas within each pillar, where improvements and risks can have trickle-down effects across and between them. Therefore, the pillar structure is solely meant to sharpen our focus and efforts towards our ESG priorities. The focus areas within each pillar capture our short-term and long-term targets, with key performance indicators (KPIs) linked to each focus area. At least once a year, we develop and agree on an action plan to ensure that we are tracking towards the targets and continuously improving.



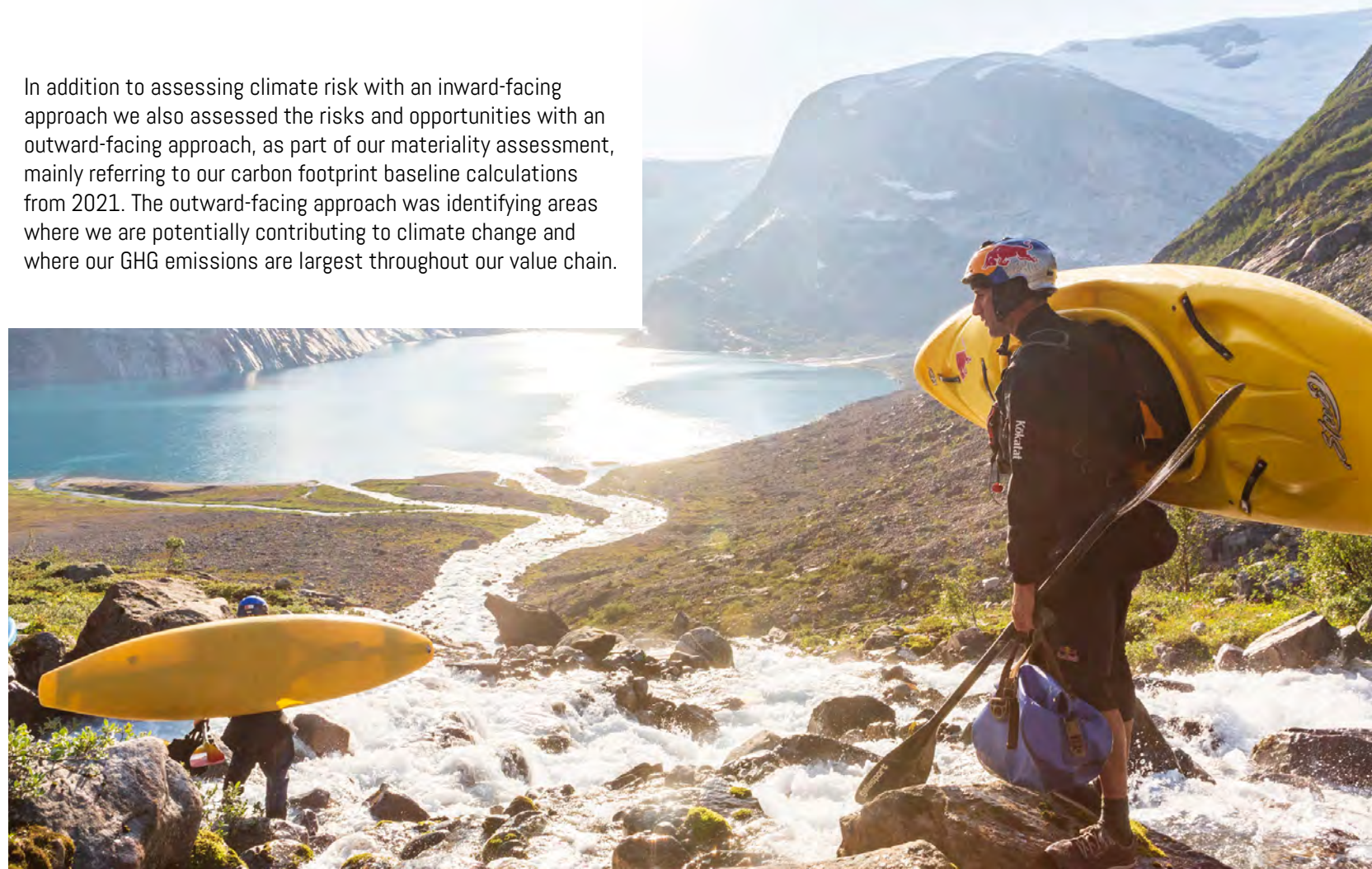
## Sustainable value chain

Within our sustainable value chain pillar we are capturing our efforts linked to the environmental impact in our value chain.

Climate change is an essential part of our agenda and we are committed to do our part when it comes to limiting global warming beyond 1.5C°.

In 2019, we strengthened our awareness and increased knowledge about the consequences of climate change, how rising temperatures can impact the business and the company's own possibilities when it comes to mitigating the worst scenarios of climate change. At Active Brands we measured our Green House Gas (GHG) emissions in scope 1,2 and part of 3 for the first time during that year. In 2020, we conducted a comprehensive climate impact analysis, considering three climate scenarios, with the support from a third party. The analysis identified short, mid and long-term impacts and revealed risks and opportunities related to consumer, customer and employee perception of our brands, as well as regulations steering companies to deliver on climate change mitigation. Increasing temperatures could also lead to supply chain disruption in sourcing countries at risk of physical climate risks such as extreme heat, drought, and flooding. These disruptions could lead to social disruption, including conflict and migration, which impacts both the value chain and world market.

In addition to assessing climate risk with an inward-facing approach we also assessed the risks and opportunities with an outward-facing approach, as part of our materiality assessment, mainly referring to our carbon footprint baseline calculations from 2021. The outward-facing approach was identifying areas where we are potentially contributing to climate change and where our GHG emissions are largest throughout our value chain.





## Commitment to net-zero

The latest climate science from the IPCC - described by the UN as "code red for humanity" – shows it is still possible to limit global temperature rise to 1.5C°, but we are dangerously close to that threshold. According to the "carbon law" we globally must halve GHG emissions every decade to reach net-zero by latest 2050 if we are to hinder the worst consequences from climate change.

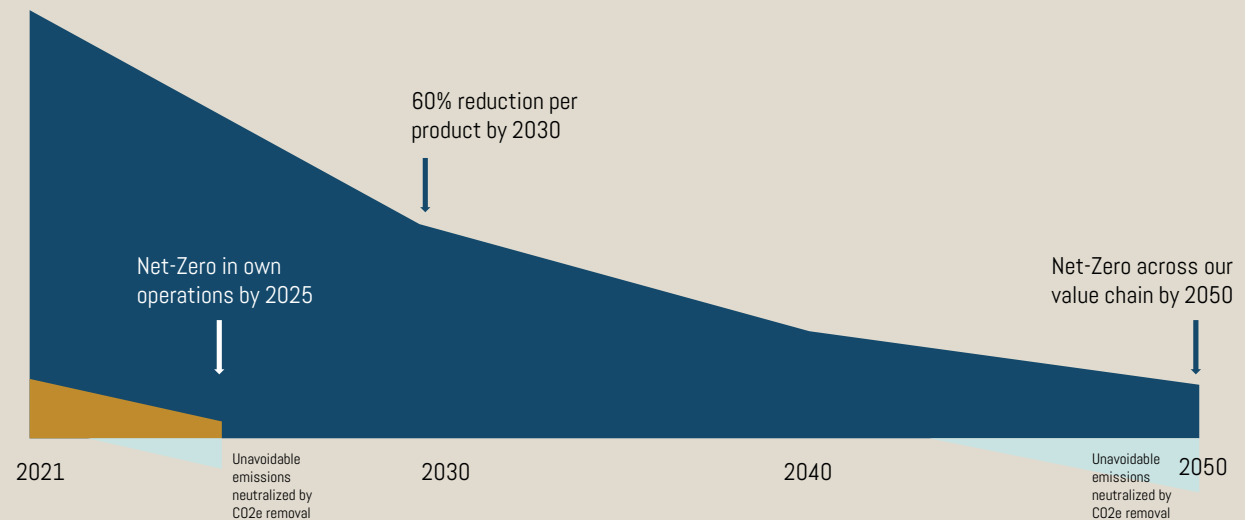
Active Brands has committed to set near-term company-wide emission reductions in line with climate science with the Science Based Target initiative (SBTi).

**Our net-zero target has been approved by the SBTi, and we are committed to reach net-zero across our value chain by latest 2050.**

Active Brands is according SBTi considered to be a SME and therefore must submit our Net-Zero Science Based Target via SBTi's streamlined process, however when reviewing the sources of our emissions, we wanted to be more ambitious for our own operations and now aim to reach net-zero already in 2025.



We are committed to reach net-zero GHG emissions across our value chain by latest 2050 with net-zero in own operations by latest 2025, and 60% reduction per product by 2030.



We are utilizing the GHG Protocol for our GHG emissions. The GHG Protocol is the leading international standard describing how GHG emissions should be quantified and reported as CO2 equivalents under three different types of emissions, referred to as Scope 1, 2 and 3.

Scope 1: indicates the direct emissions from our own operations. Primarily from offices, stores and company cars.

Scope 2: indirect emissions from supplied energy – primarily from purchased electricity, district heating and cooling.

Scope 3: includes indirect emissions related to the value chain, both upstream and downstream. Scope 3 includes several different categories where not all will be relevant for all companies. Active Brands have included 4 out of 15 categories, where the ones included are the categories driving our emissions, and therefore where emission reductions will have the largest impact.

In below sections we provide more details on each of the largest Scope 3 categories, as well as our own operations, Scope 1 and 2.



## Our carbon footprint

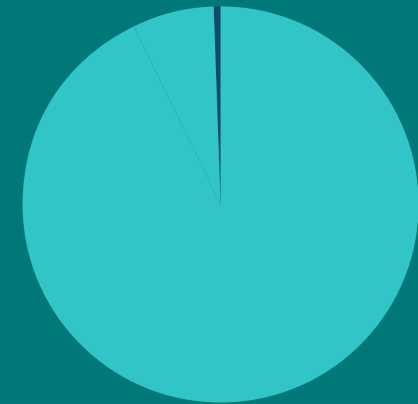
At Active Brands, we calculate our carbon footprint annually and continually strive to enhance access to primary data throughout our entire value chain. Moreover, we refine our datasets to enhance accuracy year by year. In 2023, our total carbon footprint amounted to 25,246 tCO2e, with Scope 3 emissions accounting for over 99% of the total. Our 2023 carbon footprint experienced a significant decrease compared to both the previous year and our base year (2021). This reduction was primarily attributed to decreased production volumes. Additionally, the increased adoption of renewable energy across our value chain and enhanced data accuracy further contributed to the reduction.

### SCOPE 3



- Category 1: Purchased Goods & Services\*: 92.9%
- Category 3: Fuel & Energy related activities: 0.1%
- Category 4: Upstream Transportation\*\*: 6.7%
- Category 6: Business Travels: 0.3%

### Active Brands Carbon Footprint 2023



- SCOPE 1: 0.3%
- SCOPE 2: 0.1%
- SCOPE 3: 99.6%

	2021 tCO2	2022 tCO2e	2023 tCO2e	Change from base year (2021)
SCOPE 1:	106	75	80	-25%
SCOPE 2:	236	262	17	-93%
SCOPE 3:	42,779	43,432	25,149	-41%
Category 1: Purchased Goods & Services*	41,511	41,928	23,359	-44%
Category 3: Fuel & Energy related activities	41	38	34	-17%
Category 4: Upstream Transportation**	1,227	1,416	1,678	37%
Category 6: Business Travels	-	51	78	54%***

\* Asnes hard goods T4-2 are not included

\*\* Includes inbound-, outbound transportation and energy consumption in leased warehouses

\*\*\* Change compared to 2022

## Transitioning towards renewable energy

Energy consumption is a large contributor to our overall carbon footprint, both in the forms of electricity and thermal energy use. A crucial step in tackling the GHG emissions associated with this energy is to enhance energy efficiency while also shifting towards renewable energy sources.

We experience an encouraging momentum among supply chain partners for installing on-site PV solar panels and several of our key suppliers in both T1 and T2 have already, or are planning to, install on-site PV solar panels.

In 2023 Active Brands went into collaboration with two organizations addressing GHG emissions linked to electricity via Energy Attribute Certificates (EAC). The purpose of EACs are to facilitate deep decarbonization of electricity grids.

We've set stringent criteria for procuring EACs, ensuring they contribute effectively to decarbonization efforts.

### Active Brands EAC criteria;

**Age:** This requirement encourages investment in new projects, stimulates the growth of the renewable energy sector and incentivizes the construction of new renewable energy projects. Our requirement is that the power plant must be younger than 15 years, which also aligns with RE100.

**Technology:** Different types of renewable energy technologies carries different challenges. We have linked all our EACs in 2023 to power plants either utilizing solar energy or small hydro power plants (Europe only).

**Additional Label:** All our EACs are carrying additional sustainability labels via EKOenergy or Green-E (US) to ensure the power plant producing the renewable energy is living up to certain sustainability criteria, in addition to producing renewable energy.

In 2023, 64% of our T1 suppliers and 31% of our T2 suppliers used renewable electricity either via on-site PV solar panels or EACs. In T1, 30% of the electricity consumed was linked to renewable energy.

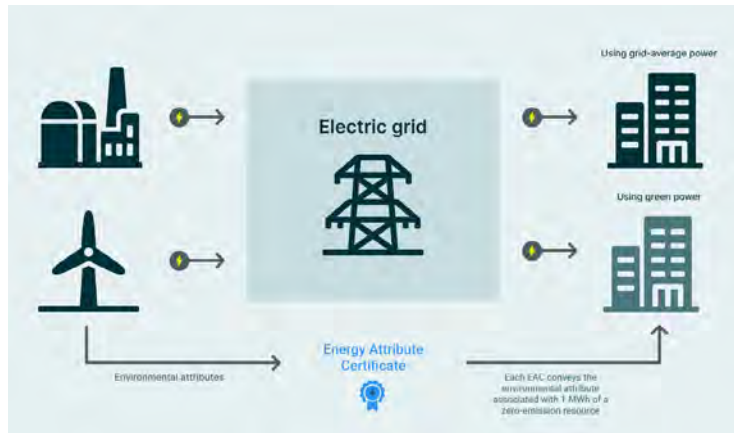
### EKOenergy Label

EKOenergy is an international non-profit ecolabel for energy. In addition to being renewable, EKOenergy-labelled energy fulfils additional sustainability criteria and finance projects that combat energy poverty.



## What are Energy Attribute Certificates:

Energy Attribute Certificates (EACs) are distinct from electricity purchases, allowing buyers to support renewable energy projects and claim the associated environmental attributes. To ensure credibility, they are managed by international standards which will vary depending on region. Each EAC represents proof that 1MWh of renewable energy has been produced and added to the grid.



## Connected power plants:

In 2023, we primarily obtained Energy Attribute Certificates (EACs) from two power plants linked to the grids with our highest energy consumption.

### Nantan Solar Phase II Project



Located in the northern China's gobi desert the solar PV power plant was commissioned in 2016 and registered by the international REC standard the same year. The power plant is approved for the EKOenergy label and has provided both short- and long-term job opportunities for the local residents since it was established.

### Bjørnstokk Hydropower plant



The Bjørnstokk power plant, situated in the heart of Norway, was established in 2017. Generating nearly 25 GWh of energy, equivalent to the consumption of approximately 1230 households, this facility offers a unique experience with its expansive windows providing visitors a glimpse into the inner workings of the power station, including a view of the generator.

## Own operations

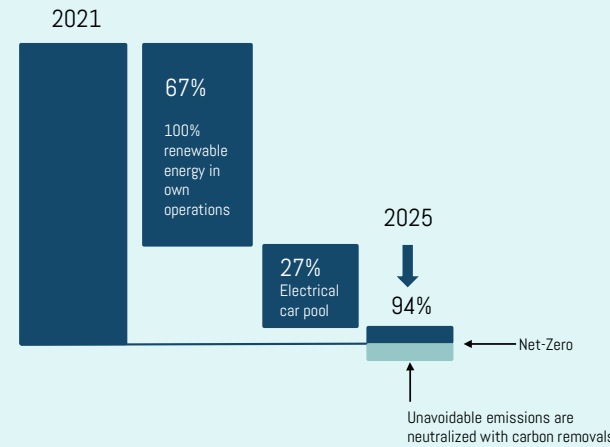
Although our own operations contribute less than 1% to our total GHG emissions footprint, we have the greatest degree of control over this part, making it the quickest area for us to effect change and deliver on our commitment on climate action.

We have adopted a market-based approach to electricity use, which accounts for the largest portion of GHG emissions we generate.

In 2023 we linked 100% of our electricity consumption in Scope 2 to renewable energy sources.

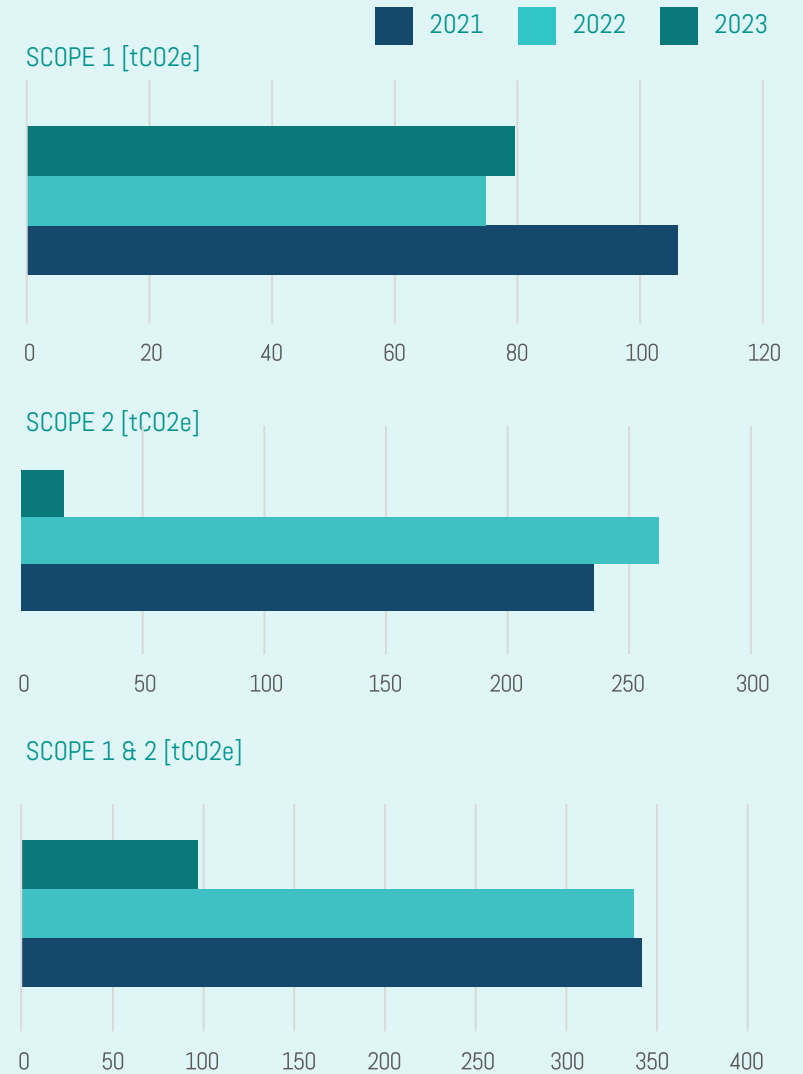
The second-largest contributor to our GHG emissions in our own operations comes from company cars. We have transitioned combustion cars to electrical ones for a few years now and in Norway, where the charging infrastructure is well developed, 89% of our company cars have an electric engine. Globally we had 46% fully electrical cars and 14% hybrid cars in 2023. We are continuing our transition to an increased portion of electrical cars in the company the year to come, with an updated car leasing policy in 2024.

### High level reduction plan SCOPE 1 & 2 OWN OPERATIONS



	2021	2022	2023	Change from base year (2021)
Electricity [MWh]	598	622	507	-15%
District Heating [MWh]	282	312	537	90%

In 2023 our Headquarters relocated to a new building carrying the environmental certification BREEAM NOR EXCELLENT. This passive building is optimized for energy efficiency, with the majority of its energy sourced from district heating and the nearby river, which flows alongside the office premises.



## Logistics

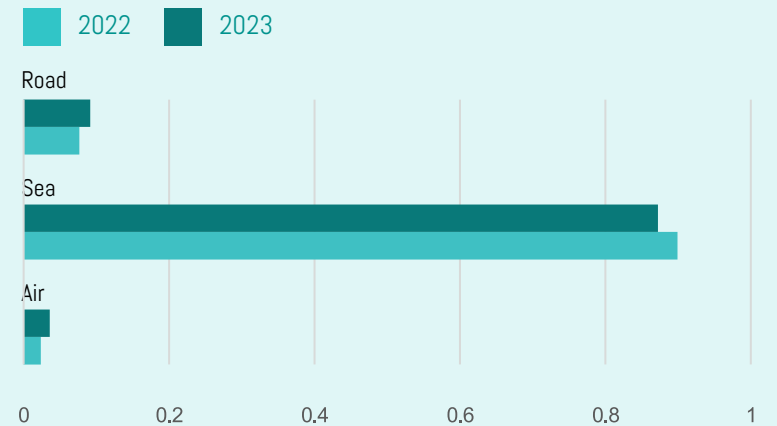
Our company's transportation activities, including moving products from manufacturers to warehouses and ultimately to end consumers, account for 6% of our carbon footprint. The transportation segments are divided into two main segments: inbound transportation from manufacturing sites to our facilities and outbound transportation from our facilities to customers and end consumer.

Inbound transportation, which covers a greater distance, accounted for 22% in 2023 of our total transportation footprint. We prioritize shipping via sea freight, with 87% of our shipped weight using this method in 2023. However, air freight, which only accounted for 4% of our shipped weight, contributed to 71% of our inbound transportation emissions due to its higher emissions per unit of weight transported. Our inbound emissions decreased by 26% in 2023 compared to 2022, due to reduced overall shipments.

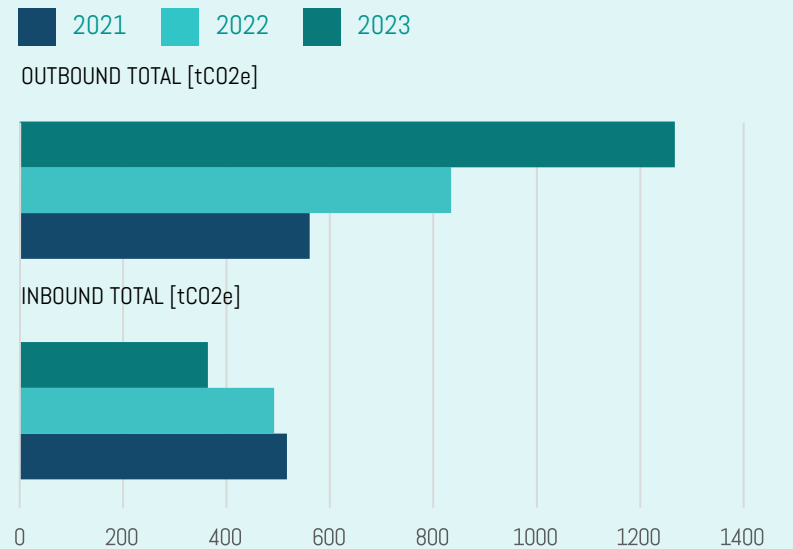
Outbound transportation, responsible for delivering products to customers and end consumers via smaller shipments, predominantly utilizes road transport. In 2023, outbound transportation accounted for 78% of our logistics-related GHG emissions. Outbound transportation emissions saw a significant increase during the year. This rise can be attributed to newly provided data from our transportation suppliers, which now includes outbound air freight—an aspect not previously accounted for in past years but included in 2023. Presently, we are collaborating with our supplier partners to obtain outbound air freight data from previous years, enabling us to adjust our carbon footprint accordingly.

In 2023, we maintained our collaboration with Kinver to access precise transportation data from our providers in the Nordic region. Additionally, we expanded our reach by including our transportation provider in Sweden on the platform. This expansion enables us to closely monitor shipments and link their GHG emissions in greater detail.

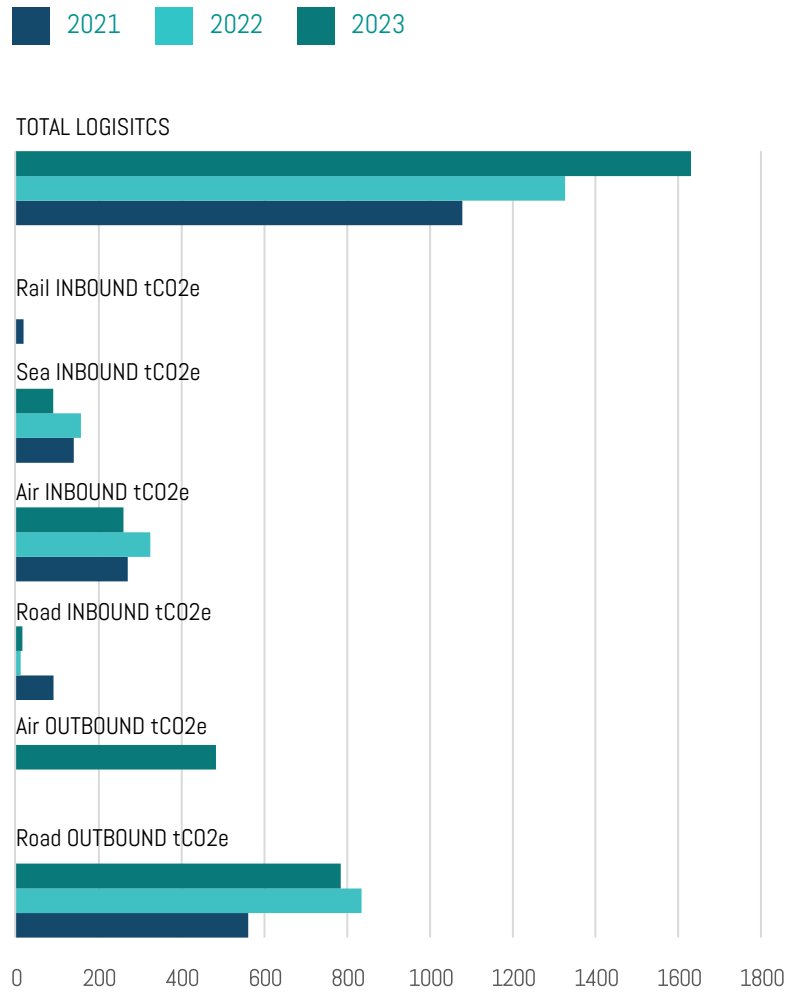
INBOUND transportation [tons moved]



INBOUND & OUTBOUND transportation



Transportation footprint split on modes of transport





## Products

Our products are the cornerstone of who we are as a company. Considering all the production phases involved and all different raw material types required to make our products, it's not surprising that here, we find the largest environmental and social impacts.

To account for our climate impact linked to our products we are still relying on emission factors based on global averages to a large extent. We are, however, making efforts to improve our datasets here year by year. We already have recordings of most raw material types, use and weight, which allows us to quite accurately calculate impacts related to this stage of our value chain, even if specific, primary, factors for our individual raw materials remain to be developed.

In 2023, we calculated the carbon footprint of 98% of our textile apparel products using actual data. For hard goods, we utilized actual material data for a similar portion of our helmets, protection wear, and eyewear. However, accuracy in material data for skis remains a challenge, leading to the exclusion of this category from our T4 product calculations.

At Active Brands, we prioritize long-term partnerships, particularly with suppliers in the closest tiers.

This approach enabled us to gather factory-specific data on energy usage and/or GHG emissions from 90% of our Tier 1 suppliers, in 2023.

As a result, we could incorporate actual energy and GHG emission data for a significant portion of the Tier 1 assembly process into our 2023 GHG emission calculations.

We directly engage with most of our material suppliers and in 2023, we obtained energy and GHG emission data from key material suppliers, representing over 50% of our textile volumes. However, allocating data from Tier 2 suppliers can be challenging due to multiple facilities involved in textile production. For suppliers where all facilities are under their control, we utilized the collected energy data in our carbon footprint calculations in 2023, covering over 30% of our Tier 2 supplier data. Material manufacturing accounts for around one-third of our GHG emissions linked to products and being able to allocate actual data and progress on reduction efforts for this segment is therefore essential to succeed with our climate target.

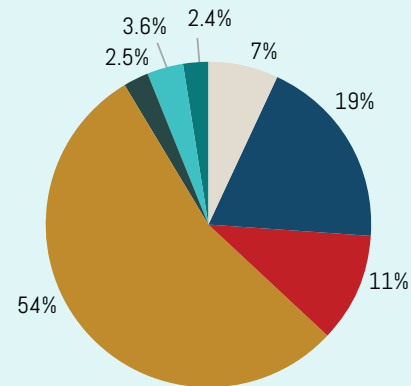
Throughout the year, we prioritize promoting climate actions within our supply chain. Collaborating with industry peers through the STICA network, we conducted webinars to raise awareness and share best practices. Over 60% of our apparel suppliers participated in online training sessions provided by GIZ, tailored specifically to address GHG emissions in textile and apparel manufacturing. Additionally, we partnered with our T1 suppliers to enhance the monitoring of environmental impacts by implementing Amfori's BEPI self-assessment module among key suppliers.

Transitioning towards low-impact raw materials is a large focus for us. It's the single largest GHG emission contributor in our

carbon footprint. Here we find emission reductions by adopting already available low impact raw materials, but this segment will also require scaling of low impact raw materials which are not readily available today and challenge us on innovation across the supply chain to reach the reduction target linked to raw materials. Overall, at Active Brands we have ten raw material types accounting for around 97% of emissions, including their T4-2 processes. Divided per brand the distribution will differ, however we still aim for collective efforts to address the emission drivers for these materials as a group.

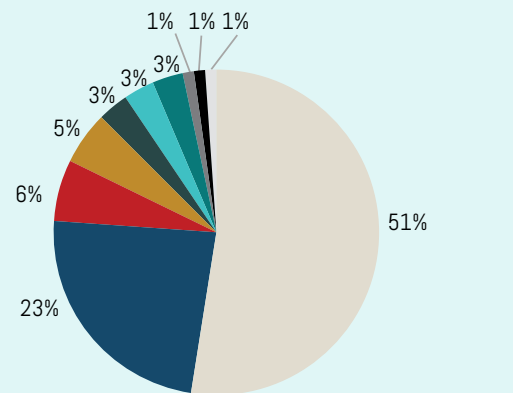


### Product Carbon Footprint



- Tier 1 - Assembling
- Tier 2- Material Manufacturing
- Tier 3 - Material Processing
- T4 - Raw Material
- Trims
- Packaging
- T1-T4 Transportation

### Top materials carbon footprint



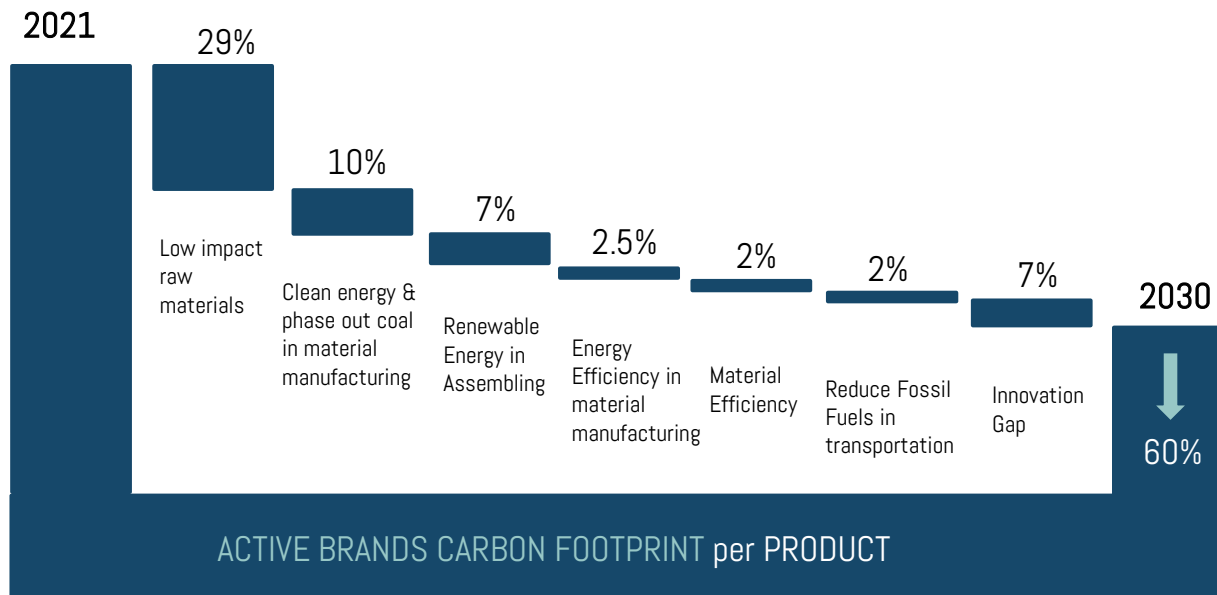
- Merino Wool
- Nylon fabric
- Acrylic fabric
- Elastane fabric
- Polyamide (PA)
- Polyester Fabric
- Cotton fabric
- Polyester fabric, recycled
- Modal fabric
- Polycarbonate (PC)

Although we acknowledge that our GHG emission accounting is not flawless, we still find it to be accurate enough to pinpoint the hotspots in our value chain. Identifying these areas enables us to identify the largest opportunities for improvement and make reduction efforts. A crucial aspect of clarifying our climate efforts and actions is our climate roadmap, which helps us drive our objectives both internally to all our brands and externally to our suppliers.

In 2024, our focus remains on the following key initiatives:

- Collaborating closely with our value chain partners to implement targeted actions aimed at reducing GHG emissions. This involves enhancing energy efficiency measures, accelerating the transition to renewable energy sources, and addressing emissions associated with raw materials.
- Strengthening collaboration with our transportation suppliers, with an emphasis on mitigating outbound emissions. This includes exploring strategies and technologies to optimize transportation logistics and reduce our carbon footprint.
- Prioritizing monitoring of energy consumption and emissions at every stage of the manufacturing process. Through strategic partnerships with expert organizations, we aim to implement monitoring systems to track and analyze energy usage and emissions data accurately.
- Proactively transitioning our material portfolio towards the adoption of lower-impact materials. We strive to minimize the environmental footprint of our products throughout their lifecycle.
- Strategically planning investments in carbon removal initiatives in partnership with specialized organizations to achieve our 2025 targets for Scope 1 and 2 emissions.

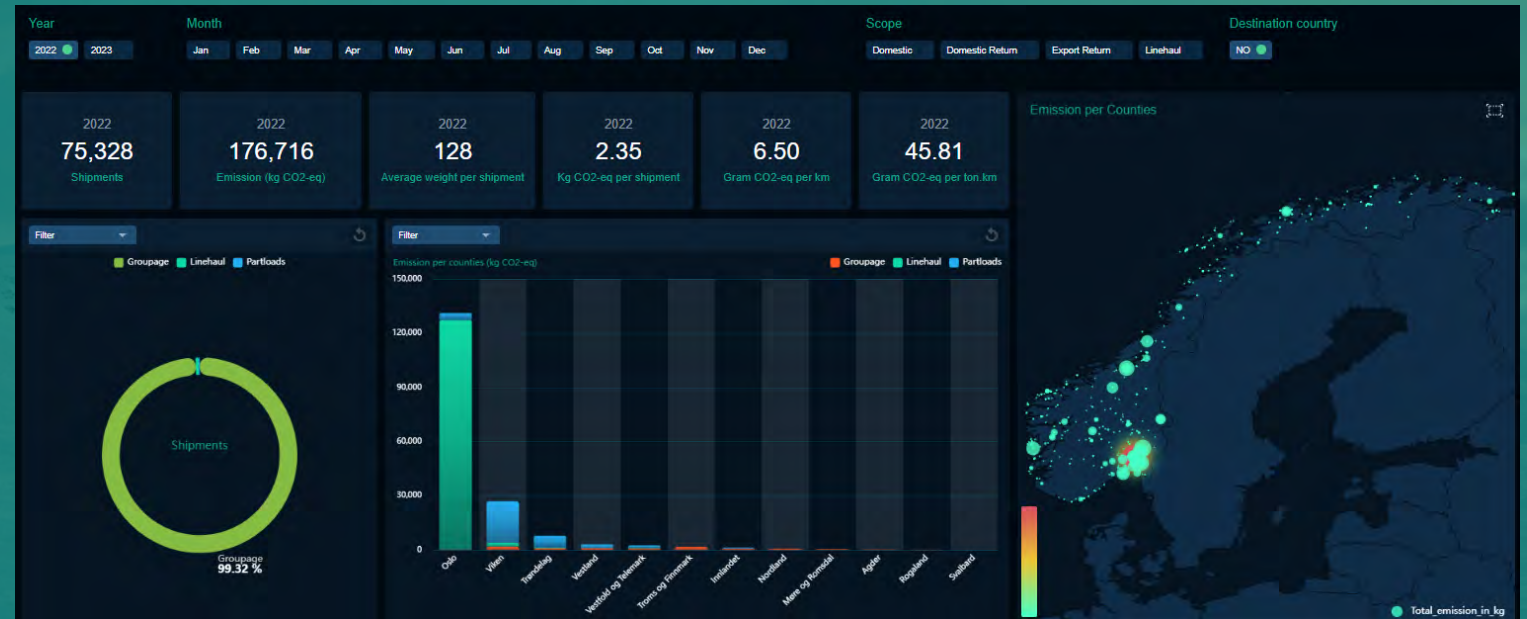
### High level reduction plan SCOPE 3 VALUE CHAIN





## KINVER

Active Brands has been collaborating with technology provider Kinver for several years. In 2022, we entered into a partnership with Kinver to focus on climate and GHG emissions linked to outbound transportation. Kinver supports its customers in increasing logistics efficiency through its supply chain management platform. Kinver's "Green Module" provides us with aggregated data on transportation emissions, which currently covers emissions related to outbound transportation in the Nordics. By retrieving detailed data from the transportation supplier and feeding it into Kinver's Green Module, we are now able to track each delivery distance and link it to GHG emissions generated for that specific distance. From these insights, we can prioritize actions to reduce emissions where it matters the most.





## STICA

With 99% of our emissions generated outside our direct control, we rely heavily on our business partners to implement the necessary changes and improvements to achieve our climate target. We believe that close collaboration with our key business partners is crucial to empower, challenge, and learn from each other about how we can best address the challenges ahead. We also recognize that collaboration with peer companies is valuable and necessary. That's why in 2021, Active Brands joined the Swedish Textile Initiative for Climate Action (STICA), a network of over 50 members from the textile industry who collaborate on a broad spectrum of topics related to climate action. Through STICA, we share knowledge, encourage each other, and develop common approaches towards our shared suppliers and shared goals to limit global warming. The network's overall goal is to align the textile industry with a 1.5C° pathway, and we are committed to working towards this goal alongside our peers and partners.

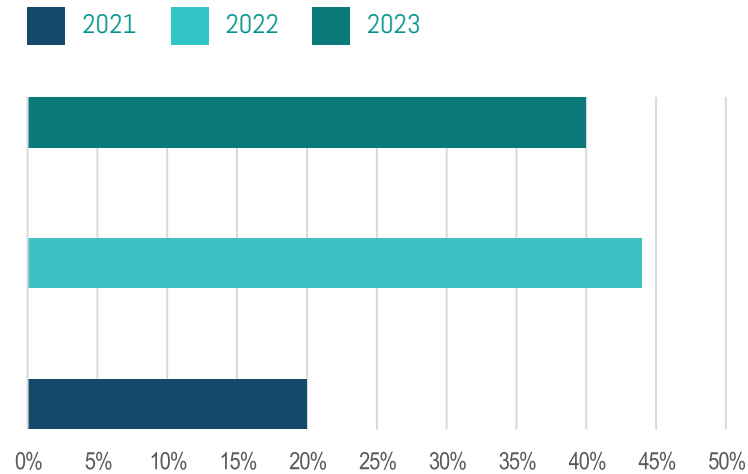


## Raw materials

Both our raw materials and material manufacturing processes make up an essential part of the products we make and are crucial in determining the longevity of our products and their environmental impact. Because the decisions we make regarding material use and design have a significant impact on our ability to achieve our climate targets, we devote considerable effort to ensuring that we make the best possible choices from the perspectives of sourcing, performance, and durability.

Two years ago, we launched our material standard which is a reference and requirement document mainly towards sourcing, design and development for which raw materials we mostly prefer, prefer and least prefer, including specific raw material adoption targets and which we avoid altogether. During 2023 we have continued to implement this standard in the product team. We however experienced a slight decrease of products carrying one or more of our defined environmental attributes in 2023. The main reason being that one of our brands decreased their percentage by 18 percentage points for the environmental attribute category, with several small products included in the line, such as sock and underwear, increasing the total number of products without a defined environmental attribute.

Textile Styles w Environmental Attribute



To assure the materials we use as environmentally preferred can be both traced and verified to carry the claimed preference, we require the material to be certified or trademarked certified.

In addition to preferred materials, we also have banned ones, or banned regions we do not allow sourcing from. Some risk materials, for example conventional cotton, are always followed up with declaration forms throughout the supply chain to ensure we know the origin of the material and its region.



## Raw Material use 2023

Raw Materials	% of weight	KG
Polyester fabric	23.2%	368261
Merino Wool	16.4%	259953
Paper, virgin	13.0%	205460
Polyester fabric, recycled	11.0%	174509
Cotton fabric	7.9%	125117
Nylon fabric	4.6%	72357
Plastic, recycled	4.3%	68205
Acrylic fabric	3.8%	60338
Cardboard	3.2%	50186
Elastane fabric	2.4%	38728
Expanded Polystyrene (EPS)	2.0%	32184
Poly Carbonate (PC)	1.5%	23982
Nylon (rigid)	0.8%	12485
ABS	0.8%	12163
Modal fabric	0.7%	11757
Polyester (rigid)	0.7%	11551
Nylon fabric, recycled	0.6%	8895
Down insulation	0.5%	8592
Viscose	0.5%	8415
Polyurethane fabric	0.3%	4283
Lyocell fabric	0.3%	4135
Polyurethane foam	0.2%	3366
Polyurethane (TPU)	0.2%	3300
Brass	0.2%	2875
Ethylene vinyl acetate (EVA)	0.2%	2833
Plastic	0.2%	2564
Rubber (SBR)	0.1%	1828
Plastic (PVC)	0.1%	1568
Carbon Fiber	0.1%	1453
Epoxy resin	0.1%	1187
Silicone	0.1%	905
Steel, stainless	0.04%	593
Glass fibre	0.03%	484
Rubber	0.02%	313

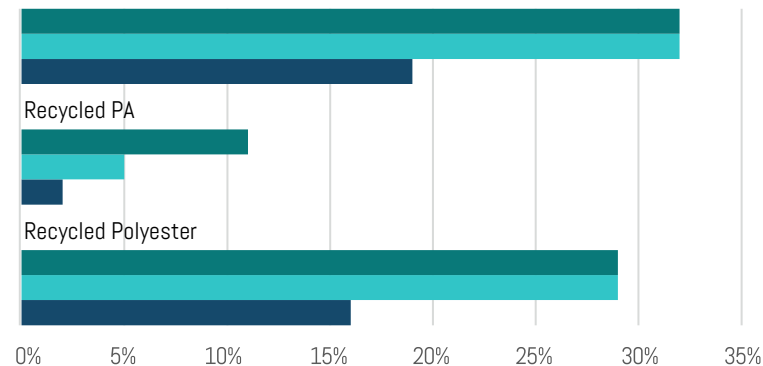
- Raw material use includes textile, hard goods, packaging and trims. Skies, poles and skins are excluded.
- Total raw material use in 2023 was 1585 tons

Polyester and Polyamide raw materials make up 40% of our total material use, combining both textiles and hard goods. When only considering textiles polyester and polyamide contribute to an even larger part of the raw material use, 55%. To reduce our environmental impact from these raw materials we are transferring towards recycled versions, with a target of having at least 80% of all polyester and polyamide as recycled, or other low-impact versions, by latest 2030.

### Recycled materials by weight volume

2021 2022 2023

#### Recycled Synthetics (PA and PES)



## Animal welfare

At Active Brands we are committed to improving animal welfare practices in our industry and are aiming for all animal derived materials to be certified, traceable and in line with the principles of an animal's Five Freedoms as stated by the World Organization for Animal Welfare. Our most common animal-derived materials are merino wool and down. Merino wool accounted for over 16% of our total raw material usage in 2023, and when looking at textile alone, it represented an even larger portion at 23%.

Our merino wool is mainly sourced from Australia and thereby carries the risk of mulesing. We are ensuring that none of the merino wool used in our products comes from sheep that have been subjected to any type of mulesing, including freeze branding. All our merino wool is non-mulesing declared via IWTO certifications and traced via declaration forms throughout our value chain.

We strongly oppose live plucking and force-feeding of fowls and since 2018, all of our down is Responsible Down Standard certified, which ensures animal welfare is incorporated at farm level.





## Packaging and packaging materials

At every stage of our product's journey to the consumer, packaging plays a crucial role. During transportation, it protects the product from extreme variations in temperature and humidity that can occur during sea freight from one continent to another. Once it arrives at the warehouse, the packaging supports storing and picking. Finally, in-store packaging is used to merchandise the product and communicate with consumers.

However, our use of packaging also generates packaging waste, and we are committed to controlling and reducing this waste to the greatest extent possible. This mission is shared with the European Union through the Packaging and Packaging Waste Regulation (PPWR) that is expected to enter into force in 2024.

In preparation for the PPWR, our primary focus in packaging development has been on creating easily recyclable designs. One such approach is the adoption of mono-material packaging. For example, our new gift boxes from Johaug no longer feature a plastic window, allowing them to be recycled as paper.

In 2023, we increased our emphasis on uncoated and unlaminated paper. Despite the challenge of limiting bright colors due to potential color bleeding, we have taken a step forward with products like the new Dæhlie baselayer box, available in stores from 2024. By applying a white inner box, we eliminate the need for plastic lamination, mitigating the risk of color bleeding, conserving resources, and simplifying the recycling process.

**Beyond ensuring the recyclability of our products, we actively evaluate packaging minimization efforts.** Prioritizing the optimization of packaging volume and the removal of unnecessary elements remains central to our approach. For example, Åsnes has eliminated all primary packaging on their Short-Skin.

We remain in collaboration with significant industry organizations and continue to actively participate in the Green Dot "Plastic Promise".

- We are conscious of how and why we use packaging, and we avoid unnecessary packaging wherever possible. We also design out free space to increase packaging efficiency and minimize packaging material use.
- We use materials and packaging designs that allow for recycling, to minimize the environmental impact of our packaging waste.
- We choose better packaging materials, with lower environmental impact.



Moving away from plastic makes paper an even more important material. All paper used in garment packaging are now FSC® certified.



		TEXTILE PRODUCTS	HARD GOODS
RECYCLED PLASTIC PACKAGING	POLYBAGS		
	PRIMARY PACKAGING		
RECYCLABLE PACKAGING	PRIMARY PACKAGING		
	E-COM PACKAGING		
	CARDBOARD BOXES		
FSC® CERTIFIED PAPER	PRIMARY PACKAGING		
	E-COM PACKAGING		
	CARDBOARD BOXES		



KEY ACHIEVEMENTS IN 2023
* All paper for garment packaging FSC certified®.



## Material manufacturing

Our approach towards how we are working with material manufacturing partners to address climate change, by increasing energy efficiency and reducing GHG emissions, is covered in the Products section. Textile manufacturing also requires a significant amount of water, and chemicals, which can have negative environmental impacts. In contrast, our hard goods products are often made directly from pellets or processed raw materials, which reduces the need for additional manufacturing stages. However, hard goods products still require chemical applications and can pose risks related to the materials themselves. To mitigate these risks, we apply a chemical management approach across all of our brands and product categories, which includes:

1. Requiring our suppliers to comply with our chemical agreement, which includes adherence to international and national chemical regulations, such as the European Chemical Regulation REACH, Stockholm Convention on Persistent Organic Pollutants, The California Safe Drinking Water and Toxic Enforcement Act, Biocidal Product Regulation, and The California Safer Clothes and Textile Act. Our chemical agreement also includes our Restricted Substance List (RSL), which is based on bluesign®'s RSL.
2. Prioritizing materials with certifications, such as bluesign® approved and Oekotex®-100 certified materials, that guarantee safe use and application of chemistry. By choosing certified materials, we can reduce the need for additional testing and follow-up with suppliers. During 2023 our fabrics with bluesign® and/or Oekotex®-100 certified materials increased slightly where the largest contribution

on Oekotex®-100 certified materials coming from our female brands Kari Traa and Johaug, and the largest contribution on bluesign® approved materials coming from Dæhlie.

	2021	2022	2023
volume bluesign® approved textiles*	19%	18%	23%
volume Oekotex® approved textiles	75%	70%	84%

\*includes synthetic & regenerated materials

3. Where the material doesn't carry a certification or similarly it's considered higher risk and will be included in our 24-month chemical testing cycle. The purpose of this cycle is to perform chemical testing on all material and product categories, based on content risk and supplier throughout a 24-month period. During 2023 we performed 97 chemical tests with zero detection of unwanted substances.

In addition to performing chemical tests based on RSL risks we have a few focus substances and groups which we have put efforts behind phasing out over several years. One of these groups are anti-bacterial or biocidal substances, which can be used as anti-odor applications in products. Active Brands have had a ban on antibacterial treatments for over a decade and are instead applying odor capturing technologies, such as activated carbon, where anti-odor properties are required.

The PFAS group of substances is another focus area for us. PFAS substances are traditionally applied in our industry mainly to achieve dirt and oil repellent properties or in membranes to achieve highly breathable and waterproof performance. Substitutes for PFAS have existed on the market for many years, and our most commonly branded substitute used, in order to still achieve high-quality water-repellent properties, is the BIONIC FINISH® ECO by Rudolf. The PFAS substitutes were for many years a niche development however increased R&D investments in PFAS-free applications have brought this category on-level with the conventional PFAS-containing ones. We began transitioning away from PFAS in 2013 and today all of our brands are using 100% PFAS-free durable water repellent finishes in our textile categories.

## bluesign® System Partner



Active Brands is a bluesign® system partner since 2023. bluesign® system partners are responsibly acting parties of the textile value chain committed to applying the bluesign® system. They aim to continuously improve their environmental performance and are focused on a sustainable future.

bluesign® system partners are committed to applying the bluesign® system which unites the entire textile supply chain to jointly reduce its impact on people and the environment. The Input Stream Management

ensures that bluesign® approved chemical products and raw materials are used in all steps of the manufacturing process. Substances posing risks to people and the environment are hence eliminated from the very beginning. On-site inspections verify the proper application of such chemical products and raw materials in controlled processes and ensure the responsible use of resources.

Water can be required in different stages during material manufacturing. Active Brands portion of cotton, which is often considered to be one of the most water intense raw materials in the textile industry, is relatively small and our focus on water risks therefore lies in the material manufacturing stage. During this stage, water is used for dyeing, cooling or cleaning of equipment and is held during processing but might return to its original watershed. If too much water is held, it can contribute to water scarcity in the local area. Optimizing and reducing water use is therefore important. The water can

also be polluted during the processing stage and is therefore not returned to its original watershed in the same shape which can have negative effects on the surrounding ecosystems. The latter is linked to ensuring a sound chemical management system and wastewater treatment possibilities, on or off-site. The former is controlled at the facility by optimizing water use, or by utilizing dyeing technologies which requires less or close to no water. At Active Brands, we are working closely with our material manufactures whom we are nominating our materials from, and we are tracking the systems and certifications they have in place to verify that environmental parameters are controlled. The bluesign® approved manufacturers are required to systematically measure, control and improve environmental parameters, including water use and pollution, and this is in addition to ensuring safe chemistry, another reason why our textile brands at Active Brands are prioritizing the use of bluesign® approved materials.

## Products and services

Creating products that are built to last and retain their value over time is a priority for all our brands. Achieving this requires a dedicated and thorough approach, involving careful planning and meticulous monitoring at every step of the process.

To produce high-quality, long-lasting products, we start planning our collections well in advance of their release, typically around two years beforehand. During this time, we conduct extensive research to identify demand and preferences, ensuring that our products are purpose-built to meet the needs of our customers. We also pay close attention to the visual appeal of our products, selecting colors and designs that are both attractive and timeless. By doing so, we aim to increase the likelihood that our customers will treasure and use our products for an extended period of time.

To achieve high physical durability, we test and refine our materials and constructions which ensures that they can withstand the demands of frequent use. Finally, we focus on creating products that fit perfectly for their intended use, and remain comfortable and functional over the long run.

Our quality testing process is tailored to the type of product we manufacture, with different procedures in place depending on the complexity of the item. For instance, a highly advanced ski helmet requires a much more extensive testing process than a simpler textile accessory.





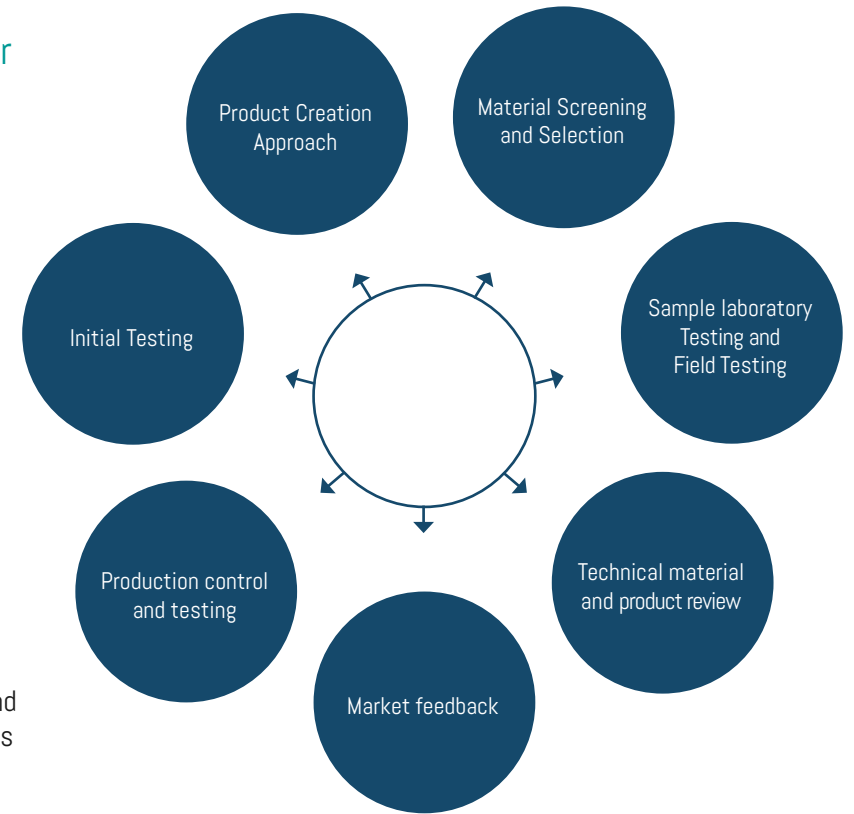
Before introducing any product to the market, we conduct a series of physical tests at various stages to guarantee its durability and longevity. This is important for building our confidence that the product will withstand regular use over an extended period.

Our in-house physical testing laboratory for textiles is based in Shanghai, while our hard goods laboratories are located at our design and development locations. Most apparel and accessory tests are carried out in our in-house laboratory, except for when extended testing is required, which is then performed at third-party laboratories. Our in-house test laboratories for our hard goods are used for extensive testing during the design and development stages and for certified products, which several of our protection gear falls under. The products are also tested in third party laboratories as a procedure to achieve the certification.

Products where performance, fit and/or durability are crucial elements to meet or exceed customers' expectations we bring the product out for field testing. This allows us to gain valuable insights into how our products function in real-world settings and identify what is working well and areas for improvement. Insights from field testing are looped back to our product teams and assures that we continuously evolve.

During production, our internal quality control team works closely with manufacturers to ensure adherence to our standards. In addition, we conduct sample testing of critical quality parameters to make sure that each product meets our specifications.

Our product quality development cycles in general, applicable for the majority of our products, are described as the following;



We strive to provide our customers with excellent support whenever they have questions, need guidance, or experience any kind of issue with our products. Our customer service team and online Helpdesk are dedicated to ensuring that every customer receives the best assistance. In 2023, we had over 34 000 people contacting our customer service team for guidance. Whenever possible, we aim to provide solutions that allow our products to continue to be used and enjoyed.

Although we do not have our own repair center, we work closely with expert local repair centers to restore our products when necessary. We continuously work on expanding and improving our repair services, making them even more accessible to our customers.

In 2023 we collaborated with the Norwegian and Textile Fashion Agenda's Repair Project, which will continue in 2024. Through this project, we are gaining valuable insights and solutions for applicable repair possibilities, while lowering the barriers for people to utilize them.

Internally, we have held several cross-functional workshops that focus on active and long-lived products.

**Our goal is to further strengthen our strategy in this area and uncover untapped opportunities that will help us and our customers to maximize the longevity of the products.**

Retaining the value of our products for as long as possible and making sure they actively stay in use is an integrated part of our ESG strategy.



## Circular models

Many of us can relate to the experience of owning products which are perfectly good for use, yet they remain un-used in our wardrobes or home storage. These products often have built-in value and resources that we believe should be utilized to their fullest potential, and Active Brands is therefore embarking on new business models that prioritize the reuse of existing products. In 2022 we signed an agreement with the Norwegian start-up Vandre who is a technology company developing solutions for re-sell. However, in response to the challenging market conditions of 2023, Vandre shifted its focus away from resale solutions. With no emphasis on resale, we were unable to launch our program with Vandre. To provide an alternative possibility for used products, we strengthened our collaboration with Tise® and their "Second Chance" platform.

The majority of our brands now have their dedicated space on "Second Chance," allowing us to redirect overstock and returned items, giving them an opportunity for a second life.



## Norwegian Fashion & Textile Agenda



Active Brands is a member of the Norwegian Fashion & Textile Agenda (NF&TA) which is an industry organization driving the transformation in Norway towards a more sustainable textile sector. The organization's strategy is anchored in a circular model and they focus on facilitating projects and collaboration within the Norwegian textile sector between a variety of actors spanning from recyclers, brands and technology providers.







## Health

Our group comprises brands that empower people to enjoy themselves, challenge their limits, and embark on outdoor adventures. With our origins in Norway, a land of mountains, fjords, and changing seasons, we know how to embrace nature and make the most of the outdoors to recharge, stay active, and compete in the sports we love. For us, the great outdoors is a space for enhancing well-being, pushing our boundaries, achieving personal goals, and socializing with loved ones while also building new relationships. Through our brands, we strive to enable more people to access the outdoors and experience nature as a means of improving both physical and mental health.

## Female empowerment in the Outdoors

In the year 2023, our dedication to enhancing physical and mental well-being has been focused on female empowerment. This commitment is exemplified through the undertakings of our two female-only brands, which have engaged in numerous initiatives aimed at strengthening women in outdoor activities.

At the heart of our mission is Kari Traa, a brand devoted to celebrating femininity, fostering community, and nurturing an obsession for the great outdoors. To bring this vision to life, Kari Traa has formed partnerships with female-centric outdoor communities who share their ethos. In Norway, Kari Traa teamed up with GrIshred, a community dedicated to board sports with inclusivity and openness at its core. Together, they create spaces where girls with shared passions uplift and empower one another, embarking on journeys of growth and friendship. Additionally, Kari Traa continued its support of the Pink Ribbon Run for the 7th year in a row, contributing to the collective effort of raising awareness for breast cancer. The brand pledged 1% of the revenue from the “pink ribbon run” collection sales during October to support this vital cause.

In Finland, Kari Traa partnered with the Taivasalla community, inviting women to revel in both slow and fast-paced adventures beneath the open sky. Similarly, in Denmark, Kari Traa collaborated with “Jenter på Eventyr” aimed to empower girls and women to embrace outdoor exploration while championing diversity and inclusivity in outdoor activities.

Across North America, Kari Traa continued its advocacy for female empowerment by sponsoring events such as Boot Tan Fest, the

largest ski and snowboard festival for women. Additionally, during October - Breast Cancer Awareness Month – Kari Traa partnered with Tits Deep where 10% of sales from the pink collection was donated to breast cancer initiatives. The brand also joined forces with SheJumps, an organization committed to helping women and girls overcome barriers in the outdoors to unlock their full potential. Furthermore, Kari Traa’s involvement with Sister Summit—a women-exclusive backcountry ski and snowboard event—underscored their commitment to fostering collaboration, advocacy, and transparency in the outdoor industry. At the latest Sister Summit event, Kari Traa hosted a base layer design competition, with proceeds from the winning design designated for donation to a sustainability-focused nonprofit organization.

Meanwhile, Johaug—a brand also synonymous with female empowerment—has worked to shed light on mental health and women’s wellness. Through events like during the World Mental Health Day gathering, featuring Therese Johaug and other profiles, the brand strive to create an open and transparent conversations on these vital topics. Moreover, the Johaug recharge camps continued to provide participants with a space to recharge their bodies and minds through exercise, relaxation, healthy food, and holistic wellness practices.

Through collaboration, advocacy, and a steadfast commitment to inclusivity, we are to continue championing the spirit of female empowerment as well as physical and mental health for years to come.



## Equality

We are committed to upholding human rights throughout our value chain and strive to foster equal opportunities for all. We recognize that individual circumstances vary and that achieving equality for all requires us to consider individual needs. By taking into account these needs, we can work towards creating a level playing field where everyone has an equal chance to succeed.



## Our people

People are the foundation of our company, and they represent our most valuable asset. Active Brands credits its competitiveness and success to the talented and dedicated employees that make up our organization. We are committed to creating a workplace where everyone feels valued, empowered, and part of a cohesive team working towards shared goals. We recognize the importance of caring for our people, providing opportunities for personal growth, and creating an environment that fosters innovation and progress.

To achieve this, we are implementing structured processes and formal initiatives, but more importantly, we are promoting a culture of respect and collaboration. We value diverse perspectives and understand that it takes a collective effort to achieve success. By working together and supporting each other, we can achieve great things and continue to build a thriving company culture.

We believe in promoting equality and providing equal opportunities for all, and we take a clear stance against any form of discrimination. We have set a goal to achieve greater gender diversity and increase the representation of women, particularly in senior positions. We strive to achieve this goal through both internal and external recruiting processes, and we actively encourage qualified women to apply for open positions. By doing so, we hope to create a more balanced gender distribution throughout the company.

Our internal code of conduct establishes the basis for fair working conditions and responsible business practices as well as specific expectations and guidelines for how we behave and do business. It applies to everyone working at our company, regardless of location.

To ensure that our employees have access to detailed and practical guidance, we have a comprehensive Human Resource Handbook that is available on our intranet.

Throughout the year, all our employees participate in coaching and development sessions, which include at least two assessments to evaluate their business and personal development goals. These assessments help to identify opportunities for growth in the short, mid, and long terms.

Our formal coaching and development process provides a clear framework for employees to understand their role within the organization, and to actively influence their career pathway. By clarifying expectations and identifying areas for improvement, our employees are empowered to achieve their professional goals and contribute to the success of our company.



## Our values

Our core values are fundamental to creating a culture where everyone feels empowered, valued, included, and respected. We strive to embody these values every day and ensures that they remain an integral part of our identity:



We serve and inspire the professional and everyday athlete. No matter which function we are in, we listen to our consumers and put them at the center of all our ambitions and processes.

We are one team, chasing gold medals, because we know that you can't win without the full team's support. And we win and lose as one team. Our team is our biggest asset and we put our people first. We are empowered and responsible, we rely on each team member and care for one another.

We dream big for our business, ourselves and as a team. Every win and accomplishment opens the door for a new challenge, as the only way to continue to develop and grow. We are agile and challenge the establishment in our pursuit of awesomeness.

We act professionally and are serious about having fun in the process and believe we are at our best when we combine professionalism and some craziness. We always aim for the best and most efficient solutions. Speed matters and we seek solid progress over perfection.

We seek sustainable innovation and constantly strive for sustainable solutions positively impacting our world.

We have integrity in everything we do and always play by the rules. We trust our colleagues and partners and keep our organization authentic and reliable. We are focused on providing an equal playing field, speaking up when that is not the case.

## Our employee statistics

Globally we have a team of 256 employees, accounting for all employees at the end of 2023



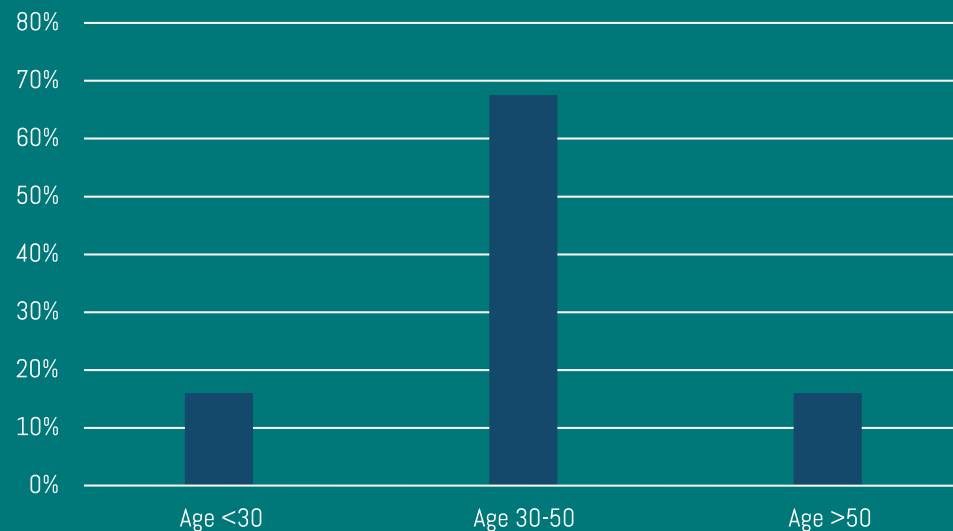
### Gender Distribution Overview

Female  
Male



\*Refers to Board of Directors for Active Brands AS

### Age Distribution Overview





\*\*95% of our part-time employees are working in our retail stores, representing 14% of all employees

### Contract Type Distribution



## The pulse on internal engagement

While formal processes are useful for evaluating priorities and setting new directions, we believe that day-to-day engagement, challenges, and contributions towards building a thriving workplace are better addressed through more frequent feedback channels.

We recognize the importance of creating an environment where everyone’s voice can be heard, and where the threshold to be heard is low.

To support this belief, we introduced a platform provided by Winningtemp in 2021. The platform is built on the idea of using data-driven insights to help companies unlock the potential of their people and create a thriving workplace. It combines millions of data points to provide meaningful feedback throughout the organization.

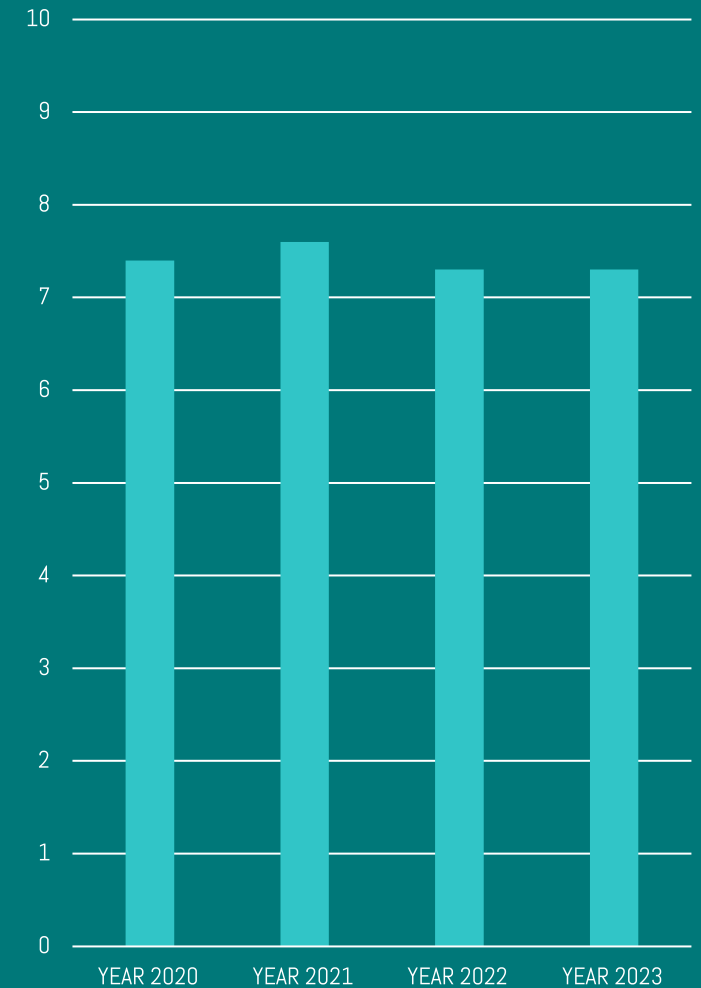
Once a week, Active Brands employees receive a short set of questions covering nine categories, including job satisfaction, work situation, team spirit and more. The survey results in a temperature index that reflects the weekly pulse of the company. Employees also have the opportunity to include comments or questions on specific areas, which are followed up by our HR department.

During 2023, our response rate varied between 75% and 85%, allowing HR to continuously track the pulse of the organization and quickly respond to areas requiring follow-up.

This platform is helping us to create a culture of transparency and continuous improvement, where every employee’s feedback is valued and acted upon.

Our overall employee engagement score in 2023 remained consistent compared to the previous year, experiencing a slight uptick during the second half. The overall engagement level for 2023 concluded at the similar level as in 2022. Looking ahead to the coming year, we are placing a strong emphasis on team development, reiterating our core values, and fostering a supportive work environment. We firmly believe that these efforts will contribute to an even more substantial increase in employee satisfaction and engagement.

Employee Temp Score





## Whistleblowing

At Active Brands, we have a separate whistleblowing policy that is a sub-document to our internal code of conduct. The whistleblowing policy outlines channels through which concerns regarding unethical behavior or other serious issues should be reported. Additionally, we offer a digital and anonymous whistleblowing channel through our Winningtemp platform, providing easy access for everyone to report any matters of concern. This enables us to take prompt action to address them.

## Environment, health and safety

Maintaining a safe, secure, and healthy work environment is crucial for the well-being of all employees. At our company, we have established a safety representative group to ensure that the best practices are in place to achieve this goal. The group consists of two employee elected representatives and two management employees.

The safety representative group covers various areas related to physical security and health in the workplace. It also addresses potential organizational changes and serves as a forum for discussing topics relevant to employees. To ensure that the group is equipped to fulfill its responsibilities, we provide the participants with training by external experts. This training gives them a solid foundation to maintain high internal standards for health and safety.

By having a safety representative group in place, we can be confident that our work environment is continuously monitored, evaluated, and improved upon.

## Training and knowledge sharing

Continuous learning and growth are essential for both individual and organizational development. At Active Brands, we are committed to providing opportunities for employees to develop their skills and knowledge.

One-to-one coaching and development sessions are tailored to individual needs and aspirations. In addition, we provide training in areas where we identified a need for improvement in our internal knowledge base.

For areas where we identify needs for knowledge sharing and training on topics relevant for certain departments or the whole organization we are utilizing a tool based on the Nanolearning methodology. In 2023 we had Nanolearning courses covering both IT security and Sustainability. The sustainability courses covered general information about climate change and upcoming regulations as well as specific targets and actions taken by Active Brands to address sustainability. In total, over 100 employees completed the two sustainability courses over a 2-3 month period.

Specific ESG projects and topics are shared and developed within smaller teams in the organization depending on area and ownership of the area. We always aim to create a clear accountability of the ESG field within the company, through our annual ESG action plan, which is driving the integration of ESG across the organization. In addition to the sustainability Nanolearning courses, the ESG trainings conducted in 2023

### About "Nanolearning"

Nanolearning is an efficient learning method characterized by short, focused, and concise education modules. These modules are designed to deliver information and training in a format that is both brief and easily digestible, often through concise online sessions.

What sets Nanolearning apart as an especially effective skill-building approach is the distribution of modules over an extended period. This ensures participants receive consistent updates on the subject, enabling them to learn through brief interactions across an extended timeframe. This continuous engagement promotes collective skill improvements over time.

included updates on Active Brands' ESG strategy and workshops aimed at shaping and refining our approach. We consistently integrate ESG sessions into each seasonal kick-off meeting, fostering discussions on opportunities and challenges related to ESG. These discussions are thoroughly tracked and followed up with more focused smaller sessions. Our Shanghai team also organized an in-person Anti-Corruption course, facilitated by Shanghai Landing Law Offices. Looking ahead to 2024, we remain committed to offering Nanolearning courses covering both specific and general topics, including training on policies and our code of conduct.

## New crew

We highly value the perspectives and ideas of all our employees, regardless of their position or function. We believe in creating an open and established channel that encourages new ways of working and fosters engagement within the workplace.

It's crucial for us to empower our employees to take the initiative and suggest activities that support employee engagement, and for this reason, we have a dedicated crew, called "The New Crew" in our headquarters.

"The New Crew" is a team of six employees from diverse functions who serve as key representatives for crowd sourcing and initiating activities and initiatives related to employee engagement. They organize various activities within and outside the office and provide valuable suggestions and feedback on building a strong and positive workplace culture. We believe that this team will help us maintain a high level of employee engagement, and we encourage all employees to share their ideas and perspectives with "The New Crew" or their managers.



## People in our supply chain

The processes of transforming raw materials into finished products involves several phases, some having a high degree of automation and little human labour, while others are labour-intensive and require manual labour. Especially the phases for textiles and apparel in the assembling stage and production of certain raw materials such as cotton, have particular labour-intensive stages. The global supply chain in the apparel and footwear sector is an important source of employment, especially for women who may face barriers to accessing paid employment. In 2019, the global textile and garment sector provided employment for approximately 91 million workers, of whom 50 million were women. Specifically in the garment manufacturing stage about 80% are women, making it the largest employer of women across all industries<sup>1</sup>

The industry has great potential to positively impact millions of people, particularly women's lives. At the same time the global supply chain poses risks of challenging working conditions and a lack of labour rights, which have been well-documented in the industry. At Active Brands, we are committed to working only with supply chain partners who uphold high standard and addresses potential issues that may affect the well-being of people involved in making our products. It is our priority to ensure that everyone involved in the production of our products is treated fairly, which will benefit both individuals and our business relationships in the long run.

## Our policies and framework – social & labour

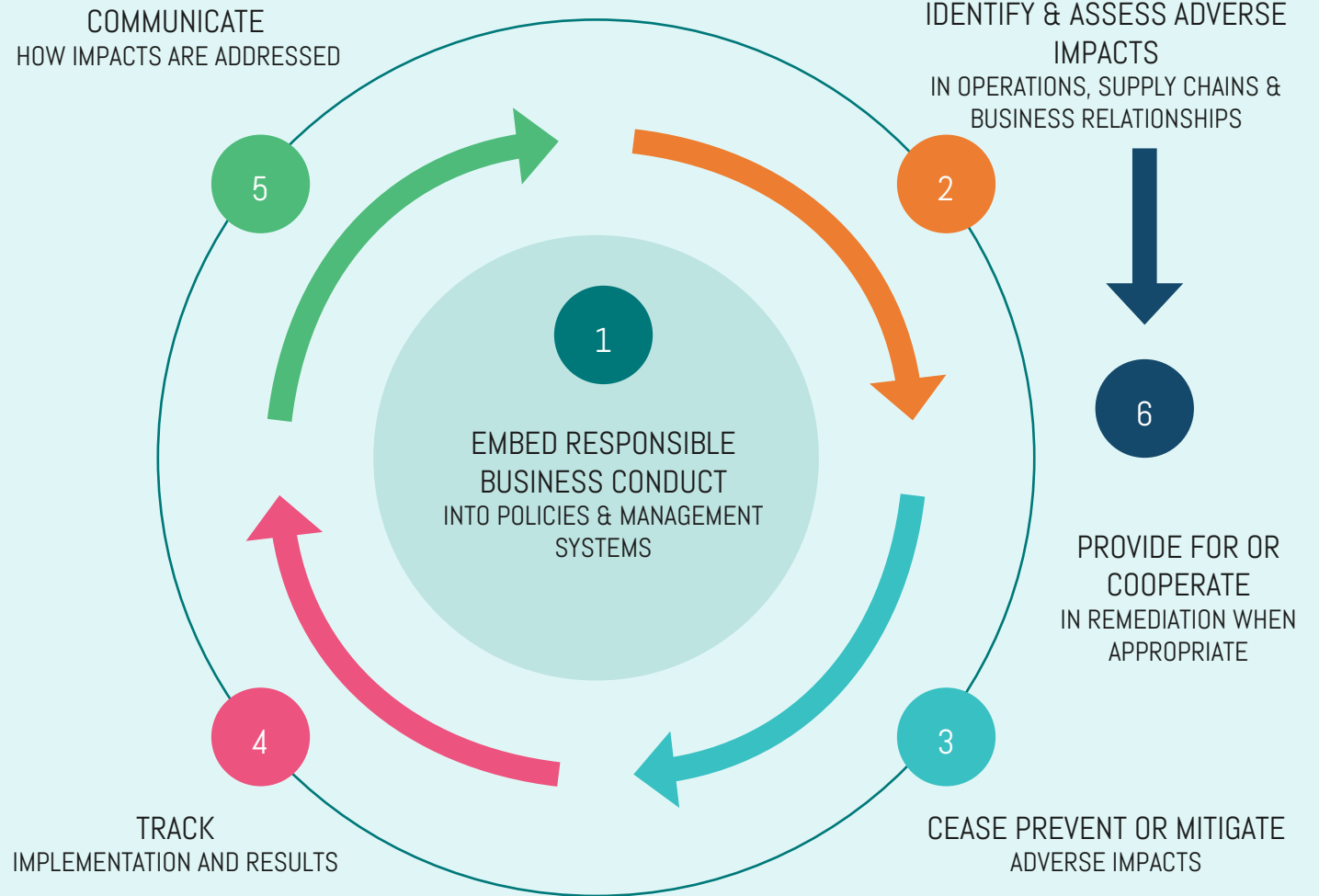
At Active Brands, we prioritize the respect of workers' and human rights, and we have embedded this commitment in our policies and steering documents. These documents are approved by the board and operationalized through our internal functions, and we extend this approach to our business partners by identifying and managing risks and applying due diligence. Our key policies for ensuring we set clear standards towards our business partners and uphold responsible business practices include:

1. **Supplier code of conduct:** Our supplier code of conduct sets out our expectations for our business partners, including compliance with laws and regulations, labour standards, human rights, and environmental protection. We require all our suppliers to sign and adhere to our supplier code of conduct as a condition of doing business with us. The supplier code of conduct is founded on key recognized international frameworks, including the Universal Declaration of Human Rights, International Labor Organizations (ILO) International Labor Standards, UN Guiding Principles on Business and Human Rights and UN Convention on the Rights of the Child. The full code is published on our website. To strengthen our commitment to eliminating any form of corruption and underage labour from our value chain, we have developed sub-policies and standard operating procedures. These guidelines outline our strict requirements and approach to ensure that we maintain a high standard in these areas across our entire value chain.

2. **Responsible business conduct policy:** Our responsible business policy outlines our commitment to conducting our business in an ethical and responsible manner, including respect for human rights, fair labor practices, and environmental sustainability. We aim to continuously improve our responsible business practices, perform due diligence involving conducting risk assessments to identify potential negative impacts on people, society, and environment and to stop, prevent and reduce such impact. The measures put in place are monitored and their effect evaluated, as well as communicated to those affected by our actions. To steer our efforts in this area we rely on the OECD guidelines for corporate governance for multilateral enterprises.

<sup>1</sup> ILO "The state of the apparel and footwear industry: Employment, automation and their gender dimensions", January 2022

### OECD's Six Step Due Diligence Framework



In 2023, we strengthened our internal processes to uphold responsible practices throughout our internal operations, interactions with business partners, and supplier relationships. This was achieved by implementing a structured routine to ensure due diligence, encompassing detailed adherence to every phase of the OECD's due diligence framework.

The established routine incorporates all relevant policies, standards, and interconnected thematic sub-policies/standards. It outlines the responsible roles and procedures for ensuring due diligence, including continuous stakeholder dialogues, practices for identifying and mitigating risks, monitoring and implementing results, and our remediation process.

These routines provide the organization with clarity regarding the methods, individuals involved, and steps taken to ensure due diligence.

In order to maintain and answering external inquiries related to the information requirement imposed by the Norwegian Transparency Act we have established our Head of ESG as the first contact point (contact details outlined on the last page of this report)

## ETHICAL TRADE NORWAY

The Ethical Trade Norway organization serves as a resource center and driving force for promoting sustainable business practices that safeguard human and employee rights, society, animals, and the environment. Active Brands has been a member of Ethical Trade Norway since 2014. As a member we are obliged to annually publish a report on our Responsible Business Practices. From 2022 Active Brands utilizes the GRI report to fulfill this requirement. The report undergoes review and commentary by our Ethical Trade Norway contact person, who provides feedback and guidance on areas for improvement and focus.

In addition to supporting our ESG communication and priorities, the Ethical Trade Organization offers several trainings and webinars throughout the year. They also organize working groups for specific topics and connect us with relevant organizations that possess expertise in those areas. In 2023, we have been involved in the working group on Living Wage, together with several other brands and companies from our industry. We have also engaged in the group focusing on challenges in Myanmar, which is further elaborated on in the section dedicated to Myanmar.



## AMFORI

Amfori is a leading global business association for open and sustainable trade. They empower 2400 companies to operate as successful and sustainable businesses by helping them monitor and improve the social and environmental performance of their supply chain. This is achieved through a neutral and apolitical engagement environment that enables them to operate efficiently and responsibly. Active Brands has been members of Amfori since 2014 and we have been working on rolling out Amfori's Business Social Compliance Initiative (BSCI) standard among our supply chain partners. By 2023, 88% of our business partners had enrolled in BSCI. The BSCI standard includes in-person audits that may be unannounced, semi-announced or fully announced and covers comprehensive review of 13 performance areas. All results, findings and status on required adjustments are available for linked business partners via the Amfori platform. In addition to being an important tool for identifying challenges and assessing the social and environmental performance of our supply chain partners, Amfori is also a valuable resource partner that helps us stay up-to-date on local challenges and connects us with experts and peer companies that share our suppliers.



## ACCORD

In 2023 Active Brands went into partnership with a supplier in Bangladesh for the first time. As a result of us beginning to source from Bangladesh we joined the international ACCORD agreement for health and safety programs in the country. The international Accord is a legally binding, independent, framework agreement between 200 garment brands and global trade unions, IndustriALL, and UNI Global Union, aiming to ensure a safe and sustainable garment industry. The Accord focuses on securing safer jobs for millions of workers in the sector, with specific attention to fire and building safety.

The factory Active Brands entered into partnership with were already a member of Accord since 2014. Through the years the factory has gone through several inspections by the RMG Sustainability Council in Bangladesh and delivered a 100% progress rate.



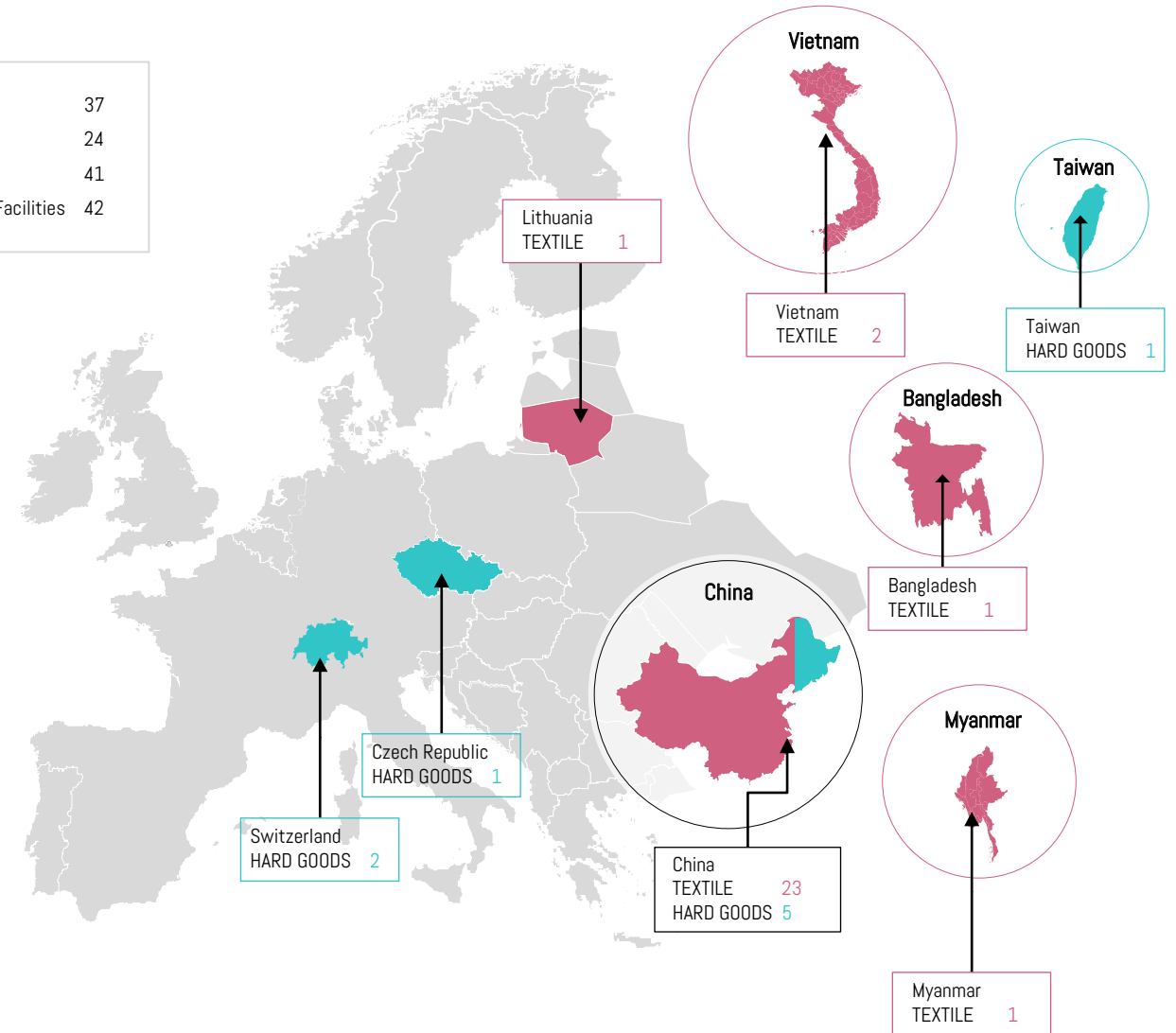
## Supply chain transparency

Knowing where our materials and products are made, including facility locations, is a prerequisite for both monitoring and improving social and environmental impacts of our operations.

At Active Brands we don't own any of our manufacturing sites ourselves but have a direct relationship with selected manufactures representing 98% of our volumes. This relationship allows us to maintain transparency and accountability in our supply chain. In our sourcing office in Shanghai, we have a team of over 40 employees who are managing the daily contact and production tasks over the year. This team also follows up on both social and environmental areas with our suppliers and ensures our social and environmental standards are met in our supply chain. In addition to our direct relationship with assembling manufactures we are nominating the majority of our materials directly with the material supplier and have mapped over 80% of our material manufacturing facilities. We share the locations of all our key suppliers via [Open Supply Hub](#) and our assembling partners are also listed on our website.

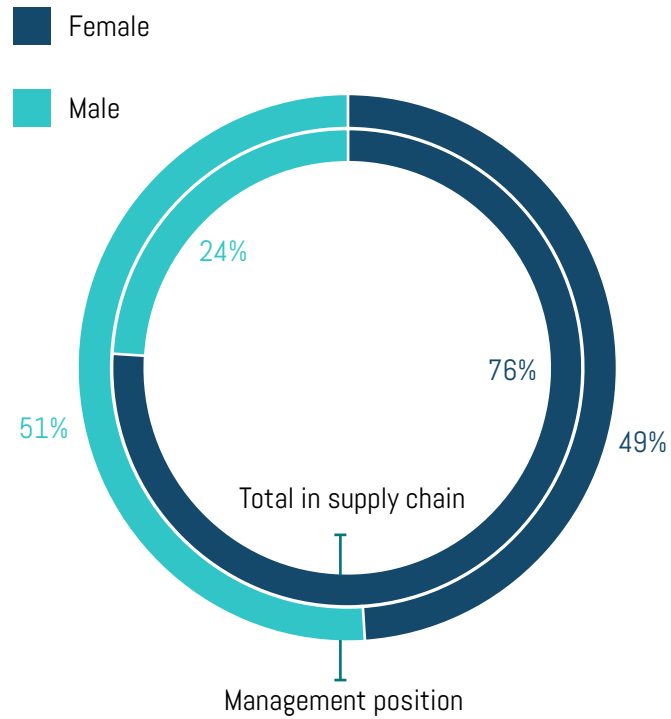
Assembling Suppliers	37
Material Suppliers	24
Assembling Facilities	41
Material Manufacturing Facilities	42

**LEGEND**  
■ TEXTILE  
■ HARD GOODS



We are working with a range of business partners in our supply chain, stretching from smaller facilities in Europe to large factories in Asia. In total, we have around 14,500 workers among the partners making our products. From suppliers where we are tracking the female:male ratio, which in 2023 represents 88% of our volumes, 76% are female and we find 49% females in management positions.

### Female:Male in our supply chain



## Responsible purchase practices

Our internal procedures and standards can have a significant impact on the companies we source from and, ultimately, on the lives of workers in the supply chain. Internal procedures are an area we have direct control over with the opportunities to ensure our own ways of doing business support our supply chain partners to follow and improve working conditions in their operations.

Responsible purchase practices encompass a range of activities, including design and product development, planning and forecasting, management of critical processes, contracts, technical specifications, order placement and lead times, cost and price negotiations, payment terms as well as underlying behaviors and principles in our relationships with our supply chain partners.

By adopting responsible practices in all these interactions, we can support suppliers' abilities to plan production effectively, manage working hours, pay workers fairly as well as invest in improving labor conditions. This in turn has a positive impact on productivity, workforce turnover and resilience in the supply chain. Responsible Purchase Practices sit as a central part in our Responsible Business Conduct Policy, and we are taking steps to increase internal awareness of the trickle-down effects from our actions on the supply chain partners as well as building on the good routines we already have in place.

At Active Brands we have established a predictable purchasing routines that we clearly communicate to all our business partners. We have early conversations with our partners to discuss production capacity and forecasts for the season ahead. With the resources we have available in our sourcing office in Shanghai, we are able to keep a close eye on daily output during production. In cases of variability, we discuss options to adjust directly with the manufacturer. We always agree on lead times, payment terms and prices with our suppliers before production and engage in close dialogues and visits through the process. We rarely allow late minute changes and always aim to keep predictability in our order volumes and deadlines.

We have built a stable supply chain and when entering into new business relationships, our goal is always to make them long-lasting. In 2023, 90% (-3 percentage point vs LY) of our business was with partners we have had for five or more years in our supplier portfolio. To be able to influence our supply chain partners' practices, we must be considered an important customer of theirs. This is closely linked to our portion of their production volumes, as well as the overall relationship. In 2023, 60% (-12% percentage point vs LY) of our business was with partners where we represented 10% of their total production volume or more.

We already have routines on vendor evaluation and cooperation meetings with suppliers where the sourcing team discusses performance related to key performance indicators at minimum twice per year. Due to market instability during 2023 we never conducted the planned supplier surveys and had to postpone this action point to coming year.





## How we follow up with our suppliers

Before entering a new supplier partnership, we have a rigorous process for evaluating how well the supplier would fit into Active Brands portfolio and live up to our minimum requirements, as well as contribute to reaching our upcoming targets.

### Alignment with our ESG requirements and goals are part of the initial evaluation process.

Our ESG responsible person in the sourcing team conducts on-site visits and reviews available standards, strategies, certifications and ensure the potential supplier meet or exceed our ESG minimum criteria before we decide to include a new supplier. When considering sourcing from a new country, we perform a broader assessment of the status and risks related to human rights and environmental practices in that region. We prioritize working with suppliers who share our commitment to ethical and sustainable practices. During 2023, we screened four potential suppliers, including their ESG performance. We initiated sourcing from one of these suppliers, and another holds potential for engagement in the upcoming year.

A pre-requisite for all our supply chain relationship is agreeing to and following our Supplier Code of Conduct. Upon updates, the suppliers are always requested to re-sign the Code of Conduct and in order to underline the importance of compliance we are referring to this document in our purchase orders.

At Active Brands, we have a steadfast commitment to ongoing monitoring and improvement of the social and environmental impacts of our value chain. To achieve this, we conduct thorough third-party audits and internal on-site assessments with our direct supply chain relationships.

We recognize that there are human rights risks that extend beyond our direct supply chain relationships with garment and material manufactures. To effectively manage these risks, we identify the risks that pose the greatest severity and likelihood and explore possible remediation strategies and opportunities for our influence through stakeholder engagement and expert resources.

We integrate risk mitigation strategies into our steering documents, and we rely on established and recognized certifications to the extent possible or declaration forms to ensure compliance with our standards. Additionally, we aim to avoid sourcing from regions that we know involve high risks of human rights violations.

We also place a high value on fostering close dialogue with our supply chain partners. By understanding each other's perspectives, we can work together to support our manufacturers in defining and achieving continuous improvement in social and environmental areas.





In 2023, our ESG representative in Shanghai conducted internal audits, incorporating worker interviews with over half of our assembling partners - a crucial component of our stakeholder engagement approach. Key insights derived from these interviews;

**Social Insurance Awareness and Coverage:**

Social insurance is available to employees; however, due to factors such as low awareness of the benefits, employees having to contribute financially, and a transient workforce with short-term motivations, not all employees were currently covered.

**Worker Committee Functionality:**

Third-party audits have highlighted the effectiveness of well-functioning, democratically elected workers' committees. However, interviews revealed a moderate level of awareness among workers regarding the committees' roles and functions.

**Safety Equipment Utilization:**

Third-party audits reported several cases of workers not using safety equipment, and there were also incidents of this during our internal audits. However, safety equipment was provided in most cases; nevertheless, individuals often chose not to use it due to discomfort, a point emphasized during the interviews.

**Overtime Management:**

Interviews inquired the causes of high overtime and worker perceptions. Both external and internal audits, along with interviews, confirmed that overtime was optional. Notably, dorm-residing and short-term workers showed a higher tendency for overtime.

**Overall Employee Satisfaction:**

Generally, employees expressed satisfaction with their overall situation, and there was a perception of numerous opportunities in the job market. This reflects the trend in China garment industry, where skilled workers can readily transition to other employers if dissatisfied with their current workplace.

An important outcome of these interviews is the identification of a crucial need for enhanced training programs among factory employees. These training initiatives would cover various topics, notably increasing awareness of social insurance benefits, promoting the proper use of safety equipment, and strengthening understanding and involvement in robust worker committees.

Through BSCI, our supply chain partners gain access to a range of training courses offered in local languages. In 2023, two of our supply chain partners participated in these training programs, completing a total of eight different courses.

Via the Amfori BSCI system we are able to closely monitor supply chain performance in accordance with the BSCI standard. In 2023, 88% of our business volume was with suppliers who conducted a third-party BSCI audit where all passed at minimum an acceptable grading as a result of reviewing 13 different performance areas. Included in the standard are zero tolerance issues, where in case any of these would occur there's a direct reaction from Amfori to the responsible business partner for the supplier, who are also to alert other linked partners. Active Brands had no alerts on zero tolerance issues during 2023.

## BSCI performance areas

Social Management System

Workers involvement and Protection

The Rights of Freedom of Association and Collective Bargaining

No Discrimination

Fair Remuneration

Decent Working Hours

Occupational Health and Safety

No Child Labour

Special Protection for Young Workers

No Bonded Labour

Protection of the Environment

Ethical Business Behaviour

To enhance our supply chain, we recognize the importance of setting high standards for our business partners, and also empowering the individuals within each organization to voice their concerns and drive positive change.

We promote the creation of a formal workers' committee, comprising democratically elected workers, to facilitate collaboration between employees and managers. The committee would hold regular meetings with management to foster constructive dialogue and represent the workers, championing the issues that matter most to them. We have emphasized focus on workers committee in sourcing countries where trade unions and general freedom of association is not well established or accessible.

To monitor the status of workers' committees within our supply chain partners, we rely on the BSCI platform and engage with our partners as necessary. The BSCI assessment examines whether suppliers have set goals to protect their workers, in collaboration with them, and how effectively they involve workers in management practices. It also assesses their training and development programs to promote responsible business practices among all employees.

In 2023, 76% of our business partners have demonstrated excellent practices in involving workers in relevant social topics, while 12% have shown potential for improvement, and another 12% were not evaluated in this area during the year.

**While creating an environment for allowing a social dialogue between workers and management is crucial for driving continued improvements, it's also important that workers have access to effective grievance mechanisms. A well-functioning system ensures a fair and credible process for addressing concerns, gathering information for due diligence, and serving as an early warning.**

In 2023, all our business partners assessed regarding their grievance mechanisms, covering 88% of our business volumes, had a functioning system in place.

In alignment with our internal remediation process, if our activities toward suppliers, partners or communities are found to cause or contribute to negative ESG impacts, we cease the activity and seek remedy. If suppliers are responsible, they are required to provide remedies, with Active Brands offering support when necessary. Even in events of disengagement from a business partner Active Brands might be responsible for ensuring remedy, which must be evaluated case by case together with stakeholders.

## Supply chain social & labour focus areas

Our process to map and evaluate salient social and human right risks and opportunities in our supply chain and with individual partners is performed via a multi facilitated approach which includes; visits, dialogues with key stakeholders and expertise organizations, self-assessments and audits. As outlined in the previous section, we have a strong focus on ensuring our supply chain partners have sound and functioning processes and systems in place to build a thriving working culture within their company, based on involvement and feedback systems. To identify areas where our suppliers need improvement, we track the findings and remarks from social audits. In 2023, 325 findings or remarks were recorded, with 36% related to occupational health and safety. These ranged from workers' involvement in developing EHS policies to unclear PPE signs for workers. 21% related to social management systems, with a request to put in place even more systems. While there were no critical findings, we follow up on all remarks and findings through the BSCI continuous improvement system.

While the figure of 325 findings or remarks may initially seem substantial, it for us shows a comprehensive review process wherein areas for improvement are identified. This extensive insight enables us to prioritize and address key areas that require attention, ensuring continuous improvement and adherence to our standards.

We are particularly focused on working hours and wages among our supply chain partners. Excessive overtime during high production periods is a challenge for some partners, although

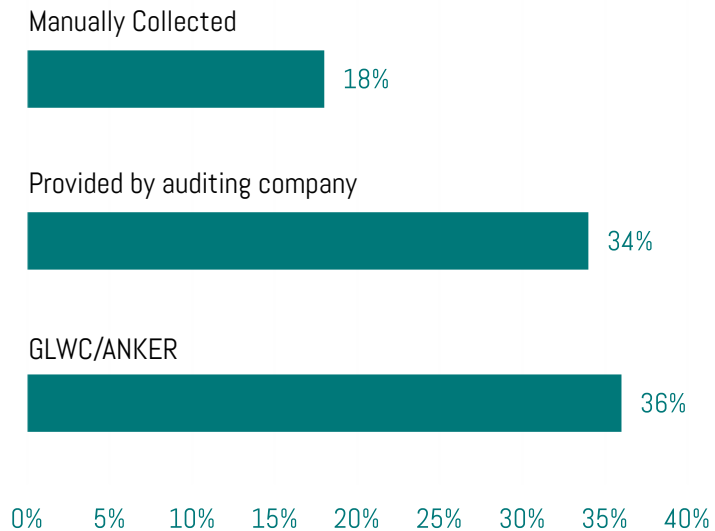
workers may also request it to earn more. There are also regional variations within sourcing countries on hours included in a standard working week. Experts recognized that overtime must be addressed by first addressing wages, and decent wages across our value chain are a priority. In 2023 we continued our engagement on this topic where we participated in working groups and seminars to increase our internal knowledge on this, which includes parameters such as bonuses, insurances, frequency and system of payment, and level of payment based on skills and experience.

To ensure consistent and sustained decent wages across the industry the preference would be to raise minimum wages, and ensure workers have sound representation and negotiating ability to realize collective bargaining agreements that meet their needs. We encourage our suppliers to consistently work on internal assessments and development to monitor their workers' wages. All the business partners assessed in 2023 paid at least minimum wages to their workers.

In front of a BSCI audit they are encouraged to estimate the required living wage in the region, based on the Anker's living wage methodology.

Net Wage = Basic (Contracted) Wage + Cash Benefits + In-Kind Benefits – Mandatory Taxes and Legal Deductions. Payment of overtime is excluded.

### Suppliers wage data reference source



In 2023, we mapped our suppliers' current wages against the estimated living wage, based on a sample of workers' wages recorded during the BSCI assessments. Based on this, 11% of suppliers are currently paying above the calculated living wage. While living wage is a complex topic, and the global inflation during the past year has had a negative impact on levels of living wage, we remain committed to working with our suppliers to understand the root causes that can impact the final wages on the supplier level and improve wages for all workers in our supply chain.

## Myanmar

Active Brands maintains a long-standing relationship with one supplier located in Myanmar. Following the military coup in February 2021, the country has been classified as high-risk in terms of human rights, in accordance with our Code of Conduct. We are carefully monitoring the situation and are engaged in ongoing discussions with our supplier to ensure that they are upholding our standards. In addition, we have conducted a thorough due diligence process to ensure that our supplier has no ties to the ruling military in Myanmar.

To further safeguard human rights in Myanmar, we consult with various NGOs, including Amfori and Ethical Trade Norway, as well as the Norwegian Ministry of Foreign Affairs. The factory we source from, Handa Garment, is shared with other European brands and is audited annually via our BSCI auditing scheme, while other customers of Handa are auditing their factory every second month. We also engage in ongoing dialogue with the factory between audits to ensure that workers' well-being is being protected as much as possible.

We have a clear policy of not initiating any new investments or business relationships in Myanmar. We are committed to maintaining high efforts to uphold human rights in the factory we are currently engaged with and are continually monitoring the situation in the country. Due to the unstable situation in Myanmar, our ability to perform heightened human rights due diligence may change quickly, and we regularly re-evaluate our presence in the country.

In order to further advance our human rights due diligence process in Myanmar, Active Brands are now also members of the MADE SMART Factory Program in Myanmar ([madeinmyanmar.eu](http://madeinmyanmar.eu)).

## Appendix

## Appendix 1: GRI index

Active Brands AS has reported the information cited in this GRI content index for the period 1 January-31 December 2023 with reference to the GRI Standards

GRI content index	Disclosure No.	Description	Page	Notes
GRI 2: General Disclosures 2021				
The organization and reporting practices	2-1	Organizational details	3, 5, 8	
	2-2	Entities included in the organization's sustainability reporting	3	
	2-3	Reporting period, frequency and content point	3	
	2-4	Restatement of information		N/A
	2-5	External Assurance		No external assurance. The report is approved by the highest governance body and senior executive team.
Activities and workers	2-6	Activities, value chain and other business relationships	8, 12, 54	
	2-7	Employees	46-47	Partly reported 2-7b There are no significant variations in number of employees over the reporting period.
	2-8	Workers who are not employees	54-55	
Governance	2-9a	Governance structure and composition	10	
	2-12	Role of the highest governance body	10, 51	
	2-13	Delegation of responsibility for managing impacts	10	
	2-14	Role of the highest governance body in sustainability reporting	10, 14, 73	
	2-16a	Communication of critical concerns	49, 52	no critical concerns were communicated to the highest governance body during the reporting period.
	2-17	Collective knowledge of the highest governance body	10	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	4	
	2-23	Policy Commitments	11, 51, 57-61	
	2-24	Embedding policy commitments	49, 57-61	
	2-25	Process to remediate negative impacts	56-61	
	2-26	Mechanism for seeking advice and raising concerns	49, 52	
	2-27	Compliance with laws and regulations		No significant instances of non-compliance with laws and regulations during the reporting period.
	2-28	Membership associations	17, 29, 33, 36, 40, 53, 61	

Stakeholder Engagement	2-29	Approach to stakeholder engagement	14	
	2-30	Collective bargaining agreements		The company doesn't have signed union agreement but employees are members of unions and are not in any way restricted in engaging with unions.
<b>GRI-3: Material Topics 2021</b>				
Material Topics	3-1	Process to determine material topics	12-13, Appendix 2-3	
	3-2	List of material topics	13, Appendix 2	
	3-3	Management of material topics	16-27, 30-42, 48-49,51,56-61	
<b>GRI 205: Anti-corruption 2016</b>				
Anti-corruption	205-1	Operations assessed for risks related to corruption		All suppliers where we have direct relationships have been assessed and are required to sign, agree with and follow our anti-corruption policy.
	205-2	Communication and training about anti-corruption policies and procedures.	49	
	205-3	Confirmed incidents of corruption and actions taken		No reported or confirmed incidents during the reporting period
<b>GRI 206: Anti-Competitive Behaviour</b>				
Anti-Competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices		No legal actions raised during the reporting period
<b>GRI 301: Materials 2016</b>				
Materials	301-1	Materials used by weight or volume	31	
	301-2	Recycled input materials used	31	
<b>GRI 302: Energy 2016</b>				
Energy	301-2	Energy consumption within the organization	22	
<b>GRI 303: Water and Effluents 2018</b>				
Water and Effluents	303-1a	interactions with water as a shared resource	36	



GRI 305: Emissions 2016				
Emissions	305-1	Direct (Scope 1) GHG emissions	19, 22	
	305-2	Energy indirect (Scope 2 ) GHG emissions	19, 22	
	305-3	Other indirect (Scope 3) GHG emissions	19, 23-24, 26	
	305-4	GHG emissions intensity		Emissions per product produced: 4.82 kgCO2e/product (Scope 3 divided by number of products included)
	305-5	Reduction of GHG emissions	19	
GRI 308: Supplier Environmental Assessment				
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	57	
GRI 403: Occupational Health and Safety 2018				
Occupational Health and Safety	403-1	Occupational health and safety management system	49, 60	
	403-4	Worker participation, consultation and communication on occupational health and safety	49, 60	
	403-5	Worker training on occupational health and safety	49	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53, 60	
GRI 404: Training and Education 2016				
Training and Education	404-2	Programs for upgrading employees skills and transition assistance programs	49, 59	
GRI 406: Non-discrimination 2016				
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		No reported incidents of discrimination during the reporting period
GRI 407: Freedom of Association and Collective Bargaining 2016				
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	60, 61	
GRI 408: Child Labor 2016				
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labour	57-60	Part of zero tolerance issues

GRI 409: Forced or Compulsory Labor 2016				
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	57-60	
GRI 414: Supplier Social Assessment 2016				
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	57	
GRI 416: Customer Health and Safety 2017				
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No cases reported during the reporting period

## Appendix 2: Material topics

MATERIAL TOPICS	DEFINITION	MATERIAL TOPICS	DEFINITION
BIODIVERSITY & LANDUSE	Impacts on biodiversity and ecosystems through changing habitats. Main areas related to landuse and monoculture related to farming and agriculture. Deforestation due to direct use of materials derived from forest or due to making land available for growing and farming raw materials.	HEALTH, SAFETY & WELLBEING	Internal employees' physical and mental well being as well as the health and wellbeing of workers in the supply chain by promoting safe and balanced work places.
CLIMATE CHANGE	Greenhouse gas emissions through the value chain linked to raw material extraction, manufacturing, material processing, product assembling, transportation use, end-of-life of products and own operations	FORCED LABOUR, UNDER-AGE WORKERS	Fairness of treatment and fair compensation for all workers in the value chain. Securing and managing no under-age workers
WATER POLLUTION	Water pollution during agriculture processes by use of for example pesticides, during material processing from dyeing and other wet processes or in the use phase via microfiber pollution and potential leak of unwanted chemicals.	GENDER EQUALITY & NO DISCRIMINATION	Possibility for all employees to be heard and represented with their voice. Promoting equality between gender, minority groups and age groups throughout the value chain
WATER USE & CONSUMPTION	Water consumption related to agriculture practices, especially in water scarce/stressed areas. Water use during material processing	FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING	The right for all workers in the supply chain, as well as internal employees to have access to workers' representative groups, join unions and conduct collective bargaining on their important topics. Access to effective grievance mechanisms internally and in the supply chain.
CHEMICAL MANAGEMENT & POLLUTION (incl air emissions in addition to GHG emissions)	Chemicals used and substances which can potentially be released to the environment and/or expose people, during raw material production/cultivation/ extraction, material processing product manufacturing and use phase.	WORKERS & HUMAN RIGHTS INCL WAGES AND WORKING TIME	Protecting and tracking labour rights in the supply chain and supporting improvements on decent and fair wages, managing excessive overtime and securing human rights are met.
ANIMAL WELFARE	Animal welfare especially related to sheep, duck and goose farming securing the 5 freedoms of animals are respected.	ANTI CORRUPTION & INTEGRITY	Securing ethical sound business practices both internally and in external relationships, including the relationships of our business partners upstream and downstream suppliers.
WASTE & RECYCLING	Design and product construction choices reducing waste produced. Solid waste and sludge generated during material and product manufacturing. Single use packaging and excessive use of packaging. End-of-life solutions for products.		
MATERIAL & PRODUCT LONGEVITY	Design, construction and material choices constructions to long lived, high quality, products. High quality materials and quality assurance processes from raw material to final product stage. Guidance towards consumers enabling correct wash and care for products.		

### Appendix 3: Assessment environmental

ENVIRONMENTAL MATRIX	BIODIVERSITY & LANDUSE		CLIMATE CHANGE		WATER POLLUTION		WATER USE & CONSUMPTION		CHEMICAL MANAGEMENT & POLLUTION (INCL AIR EMISSIONS IN ADDITION TO GHG EMISSIONS)		ANIMAL WELFARE		WASTE & RECYCLING		MATERIAL & PRODUCT LONGEVITY	
	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY
DESIGN , DEVELOPMENT, SOURCING	Medium	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium	High	High	High
RAW MATERIAL EXTRACTION & PROCESSING	High	Medium	High	Medium	Medium	Low	Medium	Low	Medium	Medium	High	High	Area not assessed		High	High
MATERIAL PRODUCTION	Area not assessed		High	Medium	High	Medium	High	Medium	High	Medium	Area not relevant		Medium	Medium	High	High
ASSEMBLING			High	Medium	Low	Medium	Low	Medium	Medium	Medium			High	Medium	High	High
LOGISTIC, DISTRIBUTION AND PACKAGING	Low	Medium	Medium	Medium	Area not assessed								Low	Medium	Area not relevant	
OWN OPERATIONS (offices and stores)	Area not assessed		Low	High	Low	Medium	Low	Medium	Low	Medium			Low	Medium		
SALES AND MARKETING			Low	Medium	Low	Medium	Low	Medium	Low	Medium	Low	Medium	Low	Medium	Low	Medium
USE			Low	Low	Medium	Low	Low	Low	Medium	Medium	Area not relevant		Medium	High		
END-OF-USE/LIFE			Low	Low	Low	Low	Low	Low	Medium	Medium			Medium	Medium	Medium	Area not relevant

Areas not assessed:

- Biodiversity risks can be associated with both "material production" and "end-of-use/life", with some known risks already addressed within other ESG topics such as "climate change", "water pollution", "water use & consumption", and "chemical management & pollution". In 2024, we will enhance our understanding of this ESG topic to ensure that these impacts are further addressed.
- The area "logistic, distribution and packaging" is not assessed in relation to "water pollution", "water use & consumption" or "chemical management & pollution". The area is considered to have larger ESG impacts within other topics, and for example chemical management for packaging is already covered within our general company standard. The area will be evaluated on relevance again towards the ESG impact for these topics in 2024.
- The ESG topic "waste & recycling" is not assessed considering: "raw material extraction & processing". Given that the impact within this area is perceived to be more significant within other topics and resides far upstream in our supply chain, communication and engagement channels are longer. The area will be evaluated on relevance again towards the ESG impact for these topics in 2024.
- The ESG topics "forced labour, under-age workers" and "gender equality & no discrimination" are not fully assessed in relation to the area "logistic & distribution". The topics are relevant for this area, and we are already ensuring the suppliers closest to our own operations agree to and signing our "supplier code of conduct". The area will be further investigated towards the ESG impact for these topics in 2024.


PEOPLE MATRIX	HEALTH, SAFETY & WELLBEING		FORCED LABOUR, UNDER-AGE WORKERS		GENDER EQUALITY & NO DISCRIMINATION		FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING		WORKERS & HUMAN RIGHTS INCL WAGES AND WORKING TIME		ANTI CORRUPTION	
	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY	RISK	OPPORTUNITY
DESIGN , DEVELOPMENT, SOURCING	Medium	Medium	Low	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	High
RAW MATERIAL EXTRACTION & PROCESSING	Medium	Medium	Medium	Medium	Medium	Low	Medium	Low	Medium	Low	Medium	Low
MATERIAL PRODUCTION	High	Medium	Low	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium
ASSEMBLING	Medium	Medium	Low	Medium	Medium	Medium	High	Medium	High	Medium	Medium	Medium
LOGISTIC & DISTRIBUTION	Low	Low	Area not assessed				Medium	Low	Low	Low	Low	Low
OWN OPERATIONS (offices and stores)	Low	High	Area not assessed		Low	High	Low	Medium	Low	High	Medium	High
SALES AND MARKETING	Low	High	Area not relevant		Low	Medium	Area not relevant				Low	Medium


**KEY REFERENCES**

KEY REFERENCES	LINKS
Environmental Performance index	<a href="https://epi.yale.edu/">https://epi.yale.edu/</a>
Biodiversity Consultancy	<a href="https://www.thebiodiversityconsultancy.com/">https://www.thebiodiversityconsultancy.com/</a>
polyamide production	<a href="https://oecotextiles.blog/2012/06/05/nylon-6-and-nylon-66/">https://oecotextiles.blog/2012/06/05/nylon-6-and-nylon-66/</a>
Global Forest Watch	<a href="https://www.globalforestwatch.org/map/">https://www.globalforestwatch.org/map/</a>
Water Risk map - Aqueduct	<a href="https://www.wri.org/data/aqueduct-water-risk-atlas">https://www.wri.org/data/aqueduct-water-risk-atlas</a>
CSR Risk Check	<a href="https://www.mvorisicochecker.nl/en/start-check">https://www.mvorisicochecker.nl/en/start-check</a>
Textile Exchange material reports	<a href="https://mci.textileexchange.org/insights/">https://mci.textileexchange.org/insights/</a>
Transparency International's Corruption Perceptions Index (CPI)	<a href="https://www.transparency.org/en/cpi/2021/index/ssd">https://www.transparency.org/en/cpi/2021/index/ssd</a>
Global Slavery Index	<a href="https://www.globallslaveryindex.org/2018/findings/regional-analysis/">https://www.globallslaveryindex.org/2018/findings/regional-analysis/</a>
ITUC Global Rights Index	<a href="https://files.mutualcdn.com/ituc/files/ITUC_GlobalRightsIndex_2021_EN_Final.pdf">https://files.mutualcdn.com/ituc/files/ITUC_GlobalRightsIndex_2021_EN_Final.pdf</a>
UNICEF, Percentage of children in employment	<a href="https://data.unicef.org/topic/child-protection/child-labour/">https://data.unicef.org/topic/child-protection/child-labour/</a>
Gender Inequality Index	<a href="https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII">https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII</a>
Global Gender Gap Index	<a href="http://www3.weforum.org/docs/WEF_GGGR_2021.pdf">http://www3.weforum.org/docs/WEF_GGGR_2021.pdf</a>


## Appendix 4: VALUE CHAIN ASSESSMENT ESG IMPACT AREAS, RISKS, MITIGATION AND 2024 FOCUS


VALUE CHAIN	KEY ESG IMPACT TOPICS	GEOGRAPHICAL AREA	SALIENT ESG RISK TOPICS	MITIGATION ACTION	2024 FOCUS
DESIGN , DEVELOPMENT, SOURCING	ALL	GLOBAL	<ul style="list-style-type: none"> <li>•Material choices</li> <li>•Product constructions &amp; designs</li> <li>•Collection planning and volumes forecasted</li> <li>•Supplier allocation</li> <li>•Social and Labour policies and requirements unclear</li> <li>•Negotiations not considering workers' wages, benefits, overtime</li> <li>•Chase orders, scattered and unorganized purchase orders</li> <li>•Short term business contracts</li> </ul>	<ul style="list-style-type: none"> <li>•Low impact long lived material selection</li> <li>•Focus on timeless design and color selections</li> <li>•Design, constructions and material choices prepared for durability, repair and recycling</li> <li>•Reduce waste by conscious design lines</li> <li>•Increase accuracy in collection planning to reduce and avoid overproduction</li> <li>•Incentives suppliers making ESG efforts and improvements</li> <li>•Policy, routine and standard Implementation</li> <li>•Policy, routine and standard implementation incl supplier social and labour requirements.</li> <li>•Material traceability</li> <li>•Balanced price negotiations</li> <li>•Responsible Purchase Practices</li> <li>•Long term relationships with suppliers</li> <li>•Communication and foreseeable forecasting and production planning towards suppliers</li> </ul>	<ul style="list-style-type: none"> <li>•Continue development of the sustainability guideline, including ESPR and circular standards</li> <li>•Increase adoption of low impact materials</li> <li>•Continue to increase accuracy in forecasting</li> </ul>
RAW MATERIAL EXTRACTION & PROCESSING	BIODIVERSITY & LANDUSE CLIMATE CHANGE ANIMAL WELFARE MATERIAL & PRODUCT LONGEVITY HEALTH, SAFETY & WELLBEING FORCED LABOUR, UNDER- AGE WORKERS GENDER EQUALITY & NO DISCRIMINATION	CHINA (SYNTHETICS) AUSTRALIA, NEW ZEALAND (WOOL) CHINA, BRAZIL, US, INDIA (COTTON)	<ul style="list-style-type: none"> <li>•Land use and monoculture related to farming and agriculture</li> <li>•Animal welfare, especially related to sheep farming</li> <li>•Deforestation</li> <li>•Climate impact related to extraction of non-renewable resources and farming of raw materials</li> <li>•Water pollution and consumption related to agriculture</li> <li>•Chemical use and pollution, especially related to forming raw materials</li> <li>•Physical quality of raw materials</li> <li>•Production of synthetic materials requiring potential hazardous chemicals.</li> <li>•Use of pesticides and fertilizers during cotton farming</li> <li>•Risk of forced labour and child labour during cotton harvesting and farming</li> </ul>	<ul style="list-style-type: none"> <li>•Supply chain transparency</li> <li>•Certified raw materials</li> <li>•Low impact raw materials substituting conventional ones</li> <li>•Quality requirements and testing</li> <li>•Use of certified materials including requirements on social and labour topics from recognized certification schemes.</li> <li>•Transparency schemes, especially for labour intense raw materials such as cotton and wool, allowing monitoring of raw material geographical locations</li> </ul>	<ul style="list-style-type: none"> <li>•Adopt the RWS certified wool</li> <li>•Assess certified cotton</li> <li>•Increase adoption of low impact raw materials</li> </ul>

 Topic associated with the "environment"


 Topic associated with "people"


VALUE CHAIN	KEY ESG IMPACT TOPICS	GEOGRAPHICAL AREA	SALIENT ESG RISK TOPICS	MITIGATION ACTION	2024 FOCUS
MATERIAL PRODUCTION	CLIMATE CHANGE WATER POLLUTION WATER USE & CONSUMPTION CHEMICAL MANAGEMENT & POLLUTION WASTE & RECYCLING MATERIAL & PRODUCT LONGEVITY	CHINA MYANMAR VIETNAM BANGLADESH LITHUANIA TAIWAN CZECH REPUBLIC	<ul style="list-style-type: none"> <li>•Energy use and energy sources required for material production</li> <li>•Water use during material processing</li> <li>•Chemical use and pollution during material processing</li> <li>•Chemical mixtures used for printing, cleaning etc</li> <li>•Solid waste and sludge generated during material processing</li> <li>•Material quality</li> </ul>	<ul style="list-style-type: none"> <li>•Certified manufacturing partners</li> <li>•Low impact manufacturing technologies</li> <li>•Environmental monitoring and improvement efforts among manufacturing partners</li> <li>•Restricted substance list with testing program</li> </ul>	<ul style="list-style-type: none"> <li>•Continue to support and increase climate action among supply chain partners</li> <li>•Scale EAC/PPA solutions in the supply chain</li> <li>•Increase adoption of bluesign® certified materials</li> <li>•Ensure key material suppliers have social standards, according to 3rd party, in place</li> <li>•Improve environmental data accuracy among key T2 suppliers</li> <li>•Focus in increased training among supply chain partners where identified required</li> <li>•Deepen own audits for addressing focus areas</li> <li>•Engagement in EuroCham/MADE program in Myanmar</li> </ul>
ASSEMBLING	HEALTH, SAFETY & WELLBEING FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING WORKERS & HUMAN RIGHTS ANTI CORRUPTION		<ul style="list-style-type: none"> <li>•Not sufficient PPE available at manufacturing site.</li> <li>•Workers lack training in risks and health and safety measures at manufacturing site.</li> <li>•Workers do not have the possibility or are not allowed to join unions or form workers representation groups.</li> <li>•Temporary contracts</li> <li>•Excessive overtime</li> <li>•Wages</li> </ul>	<ul style="list-style-type: none"> <li>•3rd party social audits and self assessment and on-site evaluations at manufacturing sites.</li> <li>•Policy implementation, monitoring and improvements</li> <li>•Training for both internal staff and manufactures</li> <li>•Wage transparency and requirements towards suppliers with balanced price negotiations.</li> <li>•Grievance mechanism available for workers</li> <li>•Occupational Health &amp; Safety measures and manufacturing site.</li> <li>•Functional collective bargaining agreements and worker committees in place at manufacturing site</li> </ul>	
LOGISTIC, DISTRIBUTION AND PACKAGING	CLIMATE CHANGE FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING	EUROPE NORTH AMERICA CHINA	<ul style="list-style-type: none"> <li>•Type of shipping mode and frequency of shipping</li> <li>•Use of single-use packaging from non-renewable resources</li> <li>•Excessive use of packaging</li> <li>•Packaging from non-recycled or non-renewable resources</li> </ul>	<ul style="list-style-type: none"> <li>•Partner with logistic suppliers to reduce GHG emissions and make conscious choices of shipping mode</li> <li>•Reduce and optimize packaging solutions</li> <li>•Use low impact materials in packaging from certified sources (FSC, recycled)</li> </ul>	<ul style="list-style-type: none"> <li>•Enhance partnership with logistic providers to track and reduce GHG emissions related to both inbound and outbound transportation</li> <li>•Continue project to phase out single packed items</li> </ul>
OWN OPERATIONS (offices and stores)	CLIMATE CHANGE WASTE & RECYCLING HEALTH, SAFETY & WELLBEING GENDER EQUALITY & NO DISCRIMINATION	EUROPE NORTH AMERICA	<ul style="list-style-type: none"> <li>•Energy use and energy source in own operations</li> <li>•Company car pool</li> <li>•Waste generated in own operations</li> </ul>	<ul style="list-style-type: none"> <li>•Secure renewable energy for our own operations</li> <li>•Electrical cars in our car pool</li> <li>•Sort and recycle our waste</li> </ul>	<ul style="list-style-type: none"> <li>•Phase out/reduce combustion cars from AB car pool</li> <li>•100% electricity from renewable sources</li> <li>•Continue internal ESG training</li> <li>•Evaluate partners for addressing unavoidable emissions towards our 2025 target</li> <li>•Focus on activities to further boost internal temperature score</li> </ul>

 Topic associated with the "environment"

 Topic associated with "people"

VALUE CHAIN	KEY ESG IMPACT TOPICS	GEOGRAPHICAL AREA	SALIENT ESG RISK TOPICS	MITIGATION ACTION	2024 FOCUS
SALES AND MARKETING	ALL ENVIRONMENTAL HEALTH, SAFETY & WELLBEING GENDER EQUALITY & NO DISCRIMINATION	EUROPE NORTH AMERICA	<ul style="list-style-type: none"> <li>•Price and margins not balanced with sustainability impacts</li> <li>•Lack of transparent sustainability communication towards consumers</li> <li>•Lack of gender equality and diverse pool of people in marketing and communication</li> </ul>	<ul style="list-style-type: none"> <li>•Clear and transparent sustainability impacts on product level</li> <li>•Engage, guide, educate and empower consumers to make more sustainable purchase decisions</li> <li>•Promote a healthy lifestyle through our brands and encourage and activate people towards physical and mental health.</li> <li>•Diverse marketing campaigns and take a stand on social issues</li> </ul>	<ul style="list-style-type: none"> <li>•Improve sustainability communication, in brand's own channels</li> </ul>
USE	MATERIAL & PRODUCT LONGEVITY CHEMICAL MANAGEMENT & POLLUTION CLIMATE CHANGE	EUROPE NORTH AMERICA	<ul style="list-style-type: none"> <li>•Products cared for incorrectly</li> <li>•Product discarded or not staying in use throughout its potential service life</li> <li>•Product quality and performance doesn't meet consumer expectations.</li> <li>•Chemical applications to materials and microfibers released during washing</li> </ul>	<ul style="list-style-type: none"> <li>•Guidance towards consumers on wash, care and repair throughout a product's life time</li> <li>•Ensure consumers know product quality and performance level for optimal longevity.</li> <li>•Certified materials, chemical control in supply chain</li> <li>•Provide re-use models for consumers</li> <li>•Provide repair possibilities for consumers</li> </ul>	<ul style="list-style-type: none"> <li>•Improve guidance towards repair solutions</li> </ul>
END-OF-USE/LIFE	WASTE & RECYCLING HEALTH, SAFETY & WELLBEING	EUROPE NORTH AMERICA	<ul style="list-style-type: none"> <li>•Product discarded or not staying in use throughout its potential service life</li> <li>•Product material mix and constructions inhibiting disassembling and recycling</li> <li>•Chemical applications to materials inhibiting recycling</li> <li>•Insufficient end-of-life solutions (incineration, landfilling)</li> <li>•Community impact if waste is landfilled</li> </ul>	<ul style="list-style-type: none"> <li>•Encourage, guide and empower consumers to keep products in use and prolong the life time for as long as possible</li> <li>•Have a plan for end-of-life/use already at design &amp; development stage</li> <li>•Certified materials, chemical control in supply chain</li> <li>•Establish credible channels for end of life</li> </ul>	<ul style="list-style-type: none"> <li>•Continue to establish channels for re-sell and end-of-life solutions in key markets</li> </ul>

 Topic associated with the "environment"

 Topic associated with "people"



**A C T I V E**  
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