



Due diligence for responsible business conduct with
regards to people, animals, society and the environment

Account reporting year 2023

for Norrøna Sport AS

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*Ethical Trade Norway has assessed the report of Norrøna Sport AS to meet the criteria of
our Base Level. More information about our Base Level can be found **here**.*



SUSTAINABLE DEVELOPMENT GOALS



To Readers Of The Report

Enterprises and the public sector have a great impact on people, society, the environment, climate, and animals and can both contribute positively to development, or negatively by causing harm. Enterprises therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs) and the Paris Agreement's 1,5-degree target.

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level1 members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

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

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

Heidi Furustøl

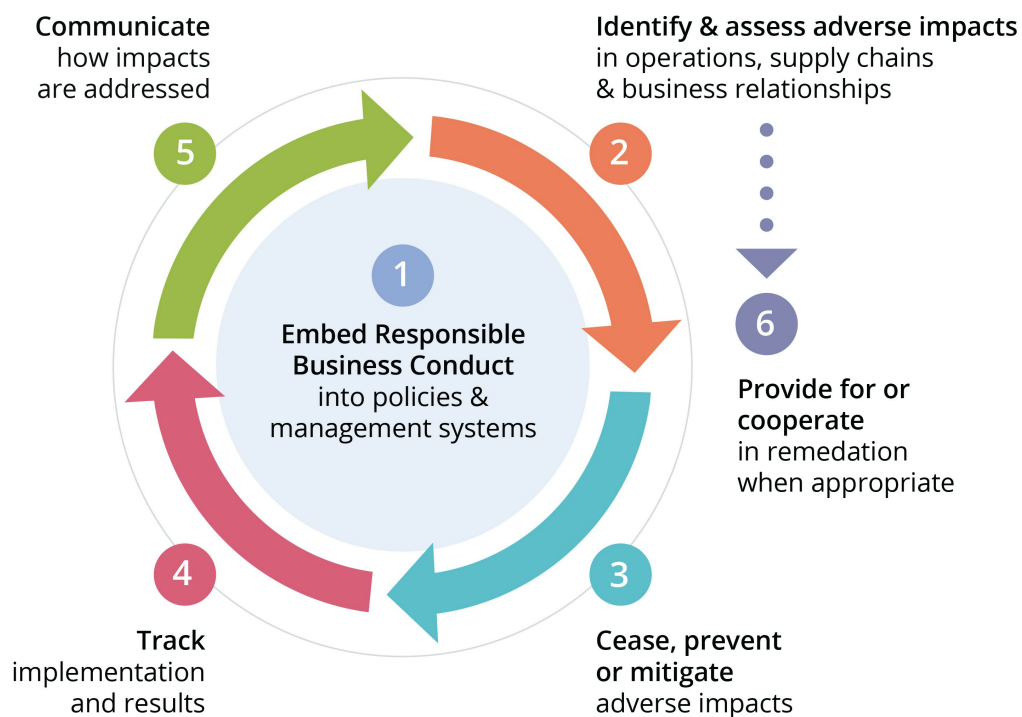
Executive Director

Ethical Trade Norway

Due diligence

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD model for Due Diligence for Responsible Business Conduct.

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.



Preface From CEO

Norrøna's vision is "Welcome to nature" and this requires us to preserve nature and do what we can to build a responsible business that helps turn the negative tide to the environment, animals and people. As there is little time for humanity to change the way we live, I believe that Norrøna can be in the forefront of changing the way we do business and inspire others to do the same.

In 2023 we continued to strengthen our human rights due diligence. A priority has been to establish closer dialogue about workers' well being with our manufacturers, especially focusing the need for strengthening access to grievance mechanisms and the importance of social dialogue. In 2023 it was possible to visit more factories, also in China after long covid restrictions. This has been important in order to better understand challenges and need for improvements and how Norrøna can support. We have also focused on training Norrøna employees that are working closest with the manufacturer, this includes a better understanding of human rights risk, and participating in a 2 - years program based on The Common Framework for Responsible Purchasing Practices .

Transparency is another important element of our Responsibility Roadmap, and we have continued working on improving our routines to achieve traceability and transparency in our value chains. We also have published more information linked to the factories where we manufacture our products to provide more information about our value chain to our customers and external stakeholders.

Zero waste is one of our 10 responsibility goals and in November we had the opening of the Norrøna house where we also launched NorrønaRe - services. With our 2nd hand store, our service centres all over the world and the new Norrøna Factory service centre, we are able to repair 90% of the 22.000 repair and warranty cases coming in. We are improving material consumption, reducing leftover materials, being able to take the first material cuttings and recycling them eventually back to new fabrics.

Zero Hazardous Chemicals is another of our Responsibility goals. Removing PFAS from all materials has been an important task for some years. In 2023, this has been a priority project and materials we use are being tested by 3rd parties, and our goal is that FW25/26 will not have any added PFAS.

Collaboration and partnership with expert organisations is necessary to achieve our goals in Norrøna Responsibility Roadmap 2029, and we are excited about entering partnership with Fair Wear in 2024. An important reason for choosing Fair Wear is that they can provide access to external grievance mechanisms, support with training at facility levels and collaboration between brands. We believe this is an important step towards a more responsible supply chain, and to go "beyond" the traditional social auditing to establish more robust approaches to address human rights violations.

We will continue to integrate our 2029 Responsibility roadmap within our organisations, which is also constructed to prepare for the legislation that we see coming up related to sustainability. Some of our priorities for 2024 is to further develop Norrøna Re, and our zero waste project. Another focus is to improve efficient energy use and start working on how to transition to renewable energy sources in our supply chain. We will also continue working towards traceability and transparency in our supply chain, and to share this information with our customers and stakeholders.

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



Jørgen Jørgensen
CEO

Board Signature



Etisk handel rapport 2023, til styret (Åpenhetsloven) (1).pdf

Signers:		
Name/Phone	Method	Date
Jørgensen, Jørgen	BANKID	2024-06-21 17:38
Thorstad, Olav Johan	BANKID	2024-06-21 08:51
Brekke, Nina Sandvold	BANKID	2024-06-21 22:56
Eriksen, Christian Stabell	BANKID	2024-06-24 21:16
Pradzynska, Anna Cecilia	BANKID	2024-06-23 10:02
Stålem, Hege Skarprud	BANKID	2024-06-21 08:47



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Lysaker
24.06.2024

Enterprise information and enterprise context

Key enterprise information

Enterprise name

Norrøna Sport AS

Head office address

Vollsveien 13H, 1366 Lysaker

Main brands, products and services offered by the enterprise

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

Description of enterprise structure

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

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

- RD&D (Research, Design and Development)
- Customer service and Repair
- Supply Chain
- Marketing
- Sales
- Share services (HR, CSR, Finance, Business Development, Digital, Administration)

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

Turnover in reporting year (NOK)

688

Number of employees

112

Is the enterprise covered by the Transparency Act?

Yes

Major changes to the enterprise since last and current reporting period

Contact person for the report (name and title)

Siri Luthen, CSR responsible.

Email for contact person for the report

siri.luthen@norrøna.no

Supply chain information

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

An important part of the Norrøna sourcing model is that we work directly with our factories and material suppliers. We do in-house development at Norrøna HQ, and "commercialise own developed products at nominated manufacturers in Europe and Asia. Norrøna also nominates the material suppliers of close to 100% of the finished goods. 95% of Norrøna's material spend are selected from our nominated suppliers. Of the non-nominated materials, 44% are related to embossing, embroideries and prints done either in-house at our nominated manufacturers or outsourced by our manufacturers.

We continuously strive to nominate all materials across our products and to increase the share of nominated suppliers and materials to ensure and improve the social, human and environmental factors, as well as ensure animal welfare across our value chain.

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

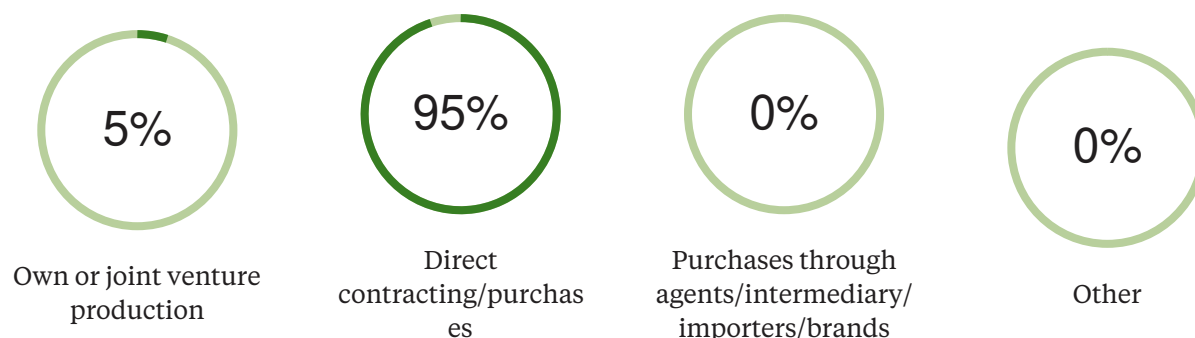
Number of suppliers with which the enterprise has had commercial relations in the reporting year

18

Comments

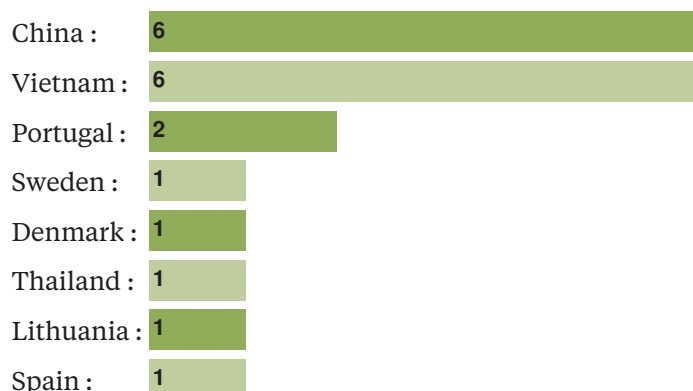
This reflects our cut and sew manufacturers. Some of our manufacturers have more than one factory. Currently we have nominated 72 material and trim suppliers.

Type of purchasing/ suppliers relationships



The Norrøna factory are mainly producing baselayers and midlayers. This will reduce the current production quantities from Asia. The Norrøna factory also help us reducing freight and shipping costs, emissions and lead time as well as give us the opportunity to manifest “our way of working” in relation to sustainability and our co-worker’s job satisfaction, work condition and safety, environmental standards, and innovation. We work closely with Norrøna factory in various projects where the aim is to reduce waste in production, automation project as well as further investigate repair in an fully circular perspective. An important project together with the factory during 2023 has been to test a process change that evaluates pattern efficiency from the first prototype to improve and maximize it, and hopefully bring it to 85%, which will reduce our overall cutting waste.

List of first tier suppliers (producers) by country



This represent our manufacturing partners for garments, socks, hats, gloves, backpacks, wetsuits, sleeping bags, belts and goggles in 2023.

During 2023 we have phased out one of our manufacturer's in China, and we have done a comprehensive mapping to identify new manufactures. Two new manufactures has been on boarded during 2023. The production at these factories will not start before 2024, and are therefore not reflected in the list above. Important variables when we sourcing new manufactures is country risk, human rights risk, participating in workers programs such as Better Work program, and potential for working with other brands .

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

Number of workers

23 860

Number of suppliers this overview is based on

18

Numbers of workers per supplier (calculated average)

1326

Comments to number of workers

Some of our manufacturer have more than one factory. Factory sizes varies from 25 to over 4000 workers.

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

Cotton raw material	India Pakistan Turkey USA
Polyester and/or Polyamide	China Spain Italy Japan South Korea Thailand Taiwan USA Vietnam
Coated and laminated materials (Gore-Tex and Dri)	Switzerland China Germany Japan South Korea Sweden USA
Leather	South Africa
Down/feather	China
Wool raw material	Australia New Zealand South Africa South America

Is the enterprise a supplier to the public sector?

No

Goals and progress

Process goals and progress for the reporting year

1

Goal : Less than 1% air freight

Status : 1, 6% We used more flights than we budgeted due to the tremendous turmoil that occurred in shipping transportation. While we earlier used train transport from Asia, this still was not an option due to the war in Ukraine.

2

Goal : 100 % of Norrøna employees commuting environmentally friendly in Norway including hybrid cars

Status : 96% green commuting.

3

Goal : 90% percentage of waste that are recycled waste at Norrøna HQ

Status : 42.13 % recycled waste.

4

Goal : 100% renewable energy at Norrøna HQ

Status : 100% renewable energy.

5

Goal : 3rd party verified Higg`s Index Score for Brand Module
100 % completed and verified

Status : 100% completed, in 2023 we decided not to verify this year report because of lack of resources.

6

Goal : % of factories completing the self assessment of Higg`s Index facility Module (FEM)
Target 2023: 75% by volume (manufactures) 90% by volume (suppliers)

Status : 72% by volume (manufacturers), and 92,7% by volume (suppliers).

7

Goal : % of factories completing the self assessment of Higg`s Index Social & labor Module (FSLM)
Target 2023: 70% by volume (manufactures) 70% by volume(supplier)

Status : 80% by volume (manufactures) and 64, 39% by volume (suppliers).

8

Goal : % of factories verified through Higg`s Index facility Module (FEM)
Target 2023: 40% by volume(manufactures) 78% by volume (suppliers)

Status : 56% by volume(manufactures) and 78,7% by volume (suppliers).

9

Goal : Percentage of planned production being produced in low season to reduce excessive overtime and facilitate living wages. Target 30%

Status : 45% produced outside peak season.

10

Goal : Use of 3rd party chemical verification by purchase volume (Bluesign/Oeko-Tex & GOTS)
Target 2023: 100%

Status : 100%. All selected materials we used were stated in our system to have a 3rd party chemical verification from either Bluesign, Oeko-Tex, ZDHC or GOTS, however we are in the process of verifying all these material certifications are valid.

Goal for coming years

1

Less than 1% air freight

2

100 % of Norrøna employees commuting environmentally friendly in Norway including hybrid cars

3

90% percentage of waste that are recycled waste at Norrøna HQ

4

100% renewable energy at Norrøna HQ

5

3rd party verified Higg`s Index Score for Brand Module
100 % completed and verified

6

% of factories completing the self assessment of Higg`s Index facility Module (FEM)
95 % by volume (manufactures) 80 % by volume (suppliers)

7

% of factories completing the self assessment of Higg`s Index Social & labor Module (FSLM)
81 % by volume (manufactures) 65 % by volume(supplier)

8

% of factories verified through Higg`s Index facility Module (FEM)
60% by volume(manufactures) 75% by volume (suppliers)

9

30 % percentage of planned production being produced in low season to reduce excessive overtime and facilitate living wages

10

100% Use of 3rd party chemical verification by purchase volume (Bluesign, Oeko-Tex, ZDHC or GOTS)



1

Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the enterprise should have strategies and plan, as well as relevant policies and guidelines for due diligence for responsible business conduct (hereafter due diligence) which are adopted by management. These should comprise the enterprise's own operations, its supply chain and other business relationships. Effective management systems for implementation are key to success, and due diligence should be an integrated element in enterprise operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the enterprise, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed. Transparency about commitments the enterprise has for itself, challenges they are facing, and how these are managed is fundamental



1.A Policy for own enterprise

1.A.1 Link to publicly accessible policy for own enterprise

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

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

Norrøna Sport AS ambition is to be a leader in environmental and social responsibility and push our industry forward. In order to this, we have set out to accomplish following 10 goals that are published in our webpage:

1. Zero carbon footprint
2. 100% responsible materials
3. Zero waste
4. 100% of products will respect proper land use and biodiversity
5. 100% of products will respect animal freedoms
6. 100% of products are transparent, traceable, and accountable
7. Zero hazardous chemicals
8. 100% transparency and admirable working conditions for all workers
9. 100% of workers will have their voices heard
10. 100% of our sales will provide 1% to improve the planet and communities

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

Norrøna Sport AS focuses on long term business partnership, and the importance of good planning and information flow with our partners. In dialogue with suppliers we will consider, if needed, to contribute with capacity building or resources that enable our manufacturers and suppliers to comply with Norrøna Sport AS's requirements related to Responsible Business Conduct and Norrøna responsibility roadmap. We expect our manufacturers and suppliers to work focused and systematically and comply with our Code of Conduct, which covers fundamental requirements on human rights, labour rights, anti-corruption, animal welfare and the environment. If the supplier, after several requests by Norrøna Sport AS, does not show the willingness to improve or ability to comply with Norrøna Code of Conducts, the contract may be cancelled. Norrøna exit policy states the different steps that are needed when ending a business relationship for reasons of labor rights violations or other reasons.

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

Our Policy for Responsible Business Conduct (RBC) are developed internally by the relevant resources in our organisation together with relevant stakeholder groups as Ethical Trade Norway.

The RBC is revised every year and approved by our top management, including the board. Our RBC are translated into seven languages to ensure the content is well understood across our full value chain. The RBC is publicly available at our website in all languages (English, Thai, Chinese, Korean, Vietnamese, Lithuanian and Portuguese). Norrøna has distributed and presented the RBC across our full value chain, both internally and externally, to set a common standard on what our manufacturers and suppliers can expect from Norrøna as well as what Norrøna expects from our manufacturers and suppliers.

1.B Organisation and internal communication

1.B.1 How is the due diligence work organised within the enterprise, embedded in internal guidelines and routines, and why?

Norrøna decided to not use a "watchdog department" concentrating specifically on sustainability, but rather integrate the responsibility across all departments.

The overall strategy for social and environmental responsibility sits within the Chief Sustainability Officer (CSO). Within this role is the responsibility for engaging with both internal and external stakeholders to push our company and the industry towards positive, strategic change and creating collaborations that will result in measurable action. The role is also responsible for developing innovation opportunities to reduce negative impact while supporting sustainable growth.

The CSR responsible sits within the RD&D department, that has the day to day contact with manufactures. This role is ensuring that Norrøna is responsible for working actively with human rights due diligence based on the OECD guidelines, and to make sure that Norrøna execute and report on Norrøna strategy as well as following existing and emerging regulatory requirements related to product/ material development and productions, and that Norrøna is aligned with rules, legislation and expectations both internally at Norrøna as well as from the society as a whole.

The Sustainability Developer & Project Leader works across the entire organisation with project management and integration and execution of plans to reach strategic goals as well as lead Norrøna's responsibility timeline towards 2029. She is further responsible for securing and analyzing data for all initiatives in order to measure and verify progress according to relevant industry standards such as the greenhouse gas(ghg)- protocol, science based targets and additional updated international and domestic legislation.

Both of these roles hold a 100% position focusing on training, improving, developing, implementing and measuring our actions related to social, human and environmental management in our value chain.

- The Operating Officer is responsible for HR on a corporate level and is responsible for all aspects of social and environmental performance within Norrøna's headquarters.
- The Director of Marketing is responsible for all aspects of social and environmental communications both internally and externally.
- Operationally the Director of Supply Chain is responsible for all logistics activities, including warehouse and transportation
- The Director of RD&D is responsible for all social and environmental issues within the facilities of our supply chain, and the development of more environmentally friendly products inclusive of materials.
- The CEO has overall responsibility that all aspects of our responsibility strategy are implemented.

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

Norrøna's four building blocks are Quality, Function, Design and Sustainability. Sustainability is at the core of our focus and ambition.

The importance of due diligence work is defined in our RBC and 2029 roadmap as well as through our company and strategy goals published at our intranet together with relevant KPI's. The due diligence routine is summarised and described in the Norrøna policy for human rights due diligence. Our due diligence policies are introduced through our on-boarding program of new hires, through each job description, KPI's and through our employer handbook.

Our sustainability requirements and goals in the Norrøna roadmap are broken down into KPI's which individual members of each department's team are responsible for. All subgoals are not yet defined, some projects have started and some will be launched later depending on different factors such as legislation and capacity. The status is reflected in the Norrøna Roadmap baseline. These KPI's are measurable and are part of the bi-annual review process. Together, all KPI's make up our annual plan to hit or exceed our sustainability targets. We do it in this way both to engage all members of the company in continuously improving performance towards better social, human and environmental actions, and to be more rational as a small/medium sized enterprise. A sustainability timeline has been developed to ensure key processes are aligned, to track internal progress, and identifying responsibility throughout the organisation. This timeline functions parallel to our organisational timeline and in order to coordinate continuous project and development work within sustainability initiatives on an annual basis.

Norrøna's project methodology aims to utilise all employees as resources to accomplish the goals of our 2029 responsibility roadmap. Approximately 20% of employees' available time is aimed to be made available to participate in projects across all departments, and many of the projects are related to the Responsibility Roadmap. Projects which succeed through this methodology stage will be implemented into operations practices throughout the organisation.

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

Employees responsible for implementing human rights due diligence in the supply chain are regularly being trained in their area of expertise and are kept updated on industry standards. Training internally includes short introductions, presentations and more in depth capacity building led by the Chief Sustainability Officer, CSR responsible and the Sustainability Developer & Project Leader. We also actively use external training courses and training that are accessible through the memberships in Sustainable Apparel Coalition, Textile Exchange and Ethical Trade Norway.

1.C. Plans and resources

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

Norrønas commitments are reflected in the Responsible Business Conduct (RBC), CoC and our Roadmap from 2021-2029, Norrøna routine for human rights due diligence, the sustainability training plan and action plan, and our Grievance Mechanism Policy. A sustainability timeline has been developed to ensure key processes are aligned, to track internal progress, and identifying responsibility throughout the organisation.

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

Norrøna 2029 goals are approved by top management and the board. The roadmap are broken down into KPI's which individual members of each department's team are responsible for. These KPI's are measurable and are part of the bi-annual review process. Together, all KPI's make up our annual plan to hit or exceed our sustainability targets. A baseline is developed for all the KPIs, which shows status for each KPI including priority in what are "in process" "on hold" or "delayed". The status for the the roadmap goals are annually presented to the board with a follow up, including priority and actions.

- Policy for Responsible business conduct (RBC) documents are evaluated and approved by the top management each year.

- The Higg report and ETI annual report allow Norrøna to track, measure, and share our sustainability progress for internal learning and highlight need for improvement.

- Through internal information meetings twice per year, where management team and top management present the status per KPI, action plans and strategies set forward for the reporting year. Thereafter an follow-up session per department where each team/employee are to work on how to improve and focus to make sure the company as a whole reaches whats set forward.

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

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

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

- Codes of Conduct (1) within our product supply chain - across tier 1-2 supplies (minimum)
- Code of Conduct (2) for all employees and partners outside the production supply chain of our products.
- All employees of Norrøna sign employee CoC and acceptance of Employee Handbook
- Our 3rd party distribution Center signed CoC and is located in a low risk country (Denmark).
- Our logistic/transportation suppliers whether directly or indirectly have signed CoC or have strong CoC which we have reviewed
- All professional organizations and companies contracting work to us sign CoC or submit their CoC for our approval.
- Distribution and implementation of our policy for responsible business conduct (RBC) across all our nominated 1-2 tiers (minimum)
- Completion of HIGG INDEX Facilities Social & Labor Module (FSLM) from tier 1 & 2 partners (minimum).
- Third party verification of social and labor compliance or better - tier 1 & 2 partners (minimum).
- Active participation with the Ethical Trade Initiative or similar such as Ilo Better Work to advance Norrøna's performance as a good partner in terms of human rights and improvement of workers lives.

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

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

Current status and improvements:

Norrøna continuously improves our approach toward social and labor issues. We require facts and cannot accept assumptions. Better documentation of processes, procedures and measurements is the focus for improvement. Through the Higg Index Brand & Retail Module (BRM) and the Ethical Trade salient risk tool and ongoing due diligence, areas of improvement is identified including documentation, procedures and the scope of our responsibilities. Utilizing this knowledge, we improve documentation and archiving working for that our entire business is covered within our Codes of Conduct and human rights commitments.

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

- All new factories go through a rigorous process with the necessary documentation easily accessible.
- We ask all new manufacturers and suppliers on the importance of the use of HIGG reporting tools, and verification of the reports.
- We look for factories that part of programs focusing on workers well being, such as Better Work or other initiatives where there are potential to cooperate across brands/industry/organisations to ensure one strong process at each facility instead of multiple routines from different brands/customers.

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

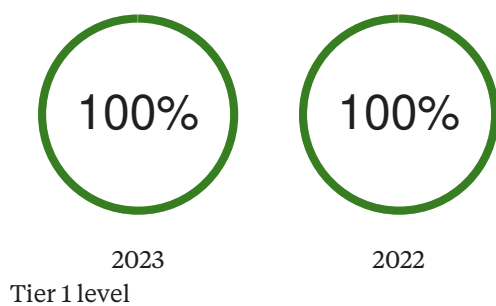
1. HIGG FSLM and FEM: If the manufacturer or supplier have shared the report with Norrøna, this forms the basis of the info needed in our risk assessment used to uncover how to move forward with the suitable surveillance, and to ensure proper and functional mechanisms at site. The Higg FSLM is built on the converged

framework of the Social & Labor Convergence Program (SLCP).

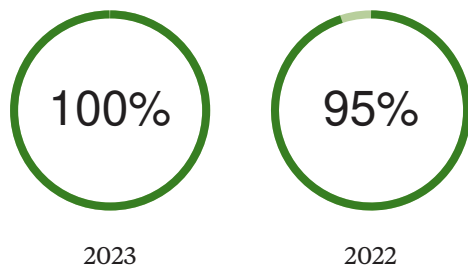
2. New 3rd party audit tool: Norrøna audits our manufactures(tier 1) regularly and we are currently looking at new routines, changing from every third year, to more often depending on risk identified. However, we want to move beyond traditional audits, and work together with expertise organisations that offer capacity training, direct dialogue with the workers and access to grievance mechanisms.

Indicator

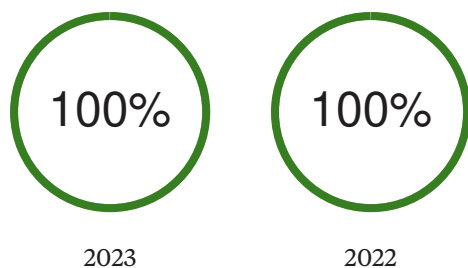
Percentage of the company's suppliers that have accepted guidelines for suppliers



COC signed from all suppliers/Factories



RBC shared with all new manufacturers and suppliers



1.E Experiences and changes

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

Norrøna has continued working on improving our routines to achieve the traceability and transparency in our value chains. The "Uyghur Forced Labor Prevention Act (UFLPA), required that we need to improve the documentation of our value chain. This legislation focused on cotton , but it also kick started the process of improving our sourcing and purchasing routines across all materials to prove our value chain. In order to get the necessary evidence showing the materials full value chain from raw material to finished fabric as well as the raw material origin, Norrøna wants to be the buyer of the material and we need to directly purchase the material; this has resulted in new routines and control in our value chain.



2

Defining the focus for reporting

Identify and assess the enterprise's impact on people, animals, society and the environment

“Identify and assess” is about identifying the enterprises's risk for, and actual negative impact on, people, animals, society and the environment, including in the supply chain and through business relationships. As a first step the enterprise should get an overall risk picture, before subsequently prioritising further mapping and measures where the risk of negative impact is the greatest, i.e. salient issues. The enterprises's involvement in the negative impact on people, animals, society and the environment is central to determine which measures the enterprise should implement in the next step of the due diligence model. Involvement of stakeholders, especially those affected, is central when assessing risks. It is also important to consult with stakeholders when implementing measures to manage the negative impact.



2.A Mapping and prioritising

PRIORITISED ACTUAL OR POTENTIAL NEGATIVE IMPACT ON PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.

2.A.1 List the enterprises's actual negative impacts and/or prioritized significant risks of negative impact/harm on people, animals, society and the environment. Take note that the prioritized risk that you list in the table below will be exported to step 3 of this report, where you will be asked to answer how you work with stopping, preventing, or reducing the negative impact.

Salient issue	Related topic	Geography
Grievance mechanism, workers representation, freedom of organisation and collective bargaining	Harsh and inhumane treatment Wages Working hours	China Thailand Vietnam
Occupational health and safety in the supply chain	Harsh and inhumane treatment Occupational Health and safety Working hours	China Thailand Vietnam
Excessive working hours in the supply chain	Forced labour Freedom of association and collective bargaining Harsh and inhumane treatment Wages Regular employment	China Thailand Vietnam
Modern slavery in the supply chain	Forced labour Discrimination Harsh and inhumane treatment Regular employment Marginalized populations	China India Pakistan Thailand Turkey Vietnam

Decent wages in the supply chain	Freedom of association and collective bargaining Working hours Regular employment	China Thailand Vietnam
Discrimination, Violence and harassment	Harsh and inhumane treatment Regular employment Marginalized populations	China Thailand Vietnam
Greenhouse Gas Emission (Scope 1-3 emission)	Environment Emission Greenhouse gas emission Energy Waste Use of materials	Global
Microfiber pollution	Environment Emission Greenhouse gas emission Waste Water Use of materials	Global

The salient risks listed are based on our salient risk and country risk assessment that covers 100% of our manufacturers as well as 76% of the production volume for our SS23 and FW23/24 collections. Furthermore the salient risk/country risk assessment covers 60% of the material spent in the same period. This in order to cover as wide an aspect of our value chain as possible. We are also actively using the risk assessment to do a mapping of new suppliers and manufactures for future collections. The salient risks listed are defined based on known issues geographically across our industry and not necessarily a problem in our nominated facilities. Still the salient risk/country risk assessment puts focus on our actions and where to prioritize going forward as Norrøna recognize that we don't have the full status at each facility at any given time.

In 2023 we have continued to prioritize **access to grievance mechanisms, and the status of social dialogue including workers representation** at the different facilities. Priority has been on tier 1. These topics have been treated together as the same risk area because trade union or works council can potentially be an important channel to receive and handle complaints and a mechanism to improve factory performance. An important reason for this priority is that this is also a means to reduce and prevent other negative consequences in our supply chain.

JUSTIFICATION FOR THE PRIORITISATION OF RISKS OF NEGATIVE IMPACT ON PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

2.A.2 Describe: a) the enterprise's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period: b) eventual aspects of the enterprise that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work: c)

how information was gathered, what sources were used, and which stakeholders have been involved/consulted: d) whether you have identified areas where information is lacking in order to get an overview, and how you are planning to proceed to collect more information/handle this.

Norrøna actively uses the Salient Risk Tool developed by Ethical Trade. The risk analysis is updated annually and forms the bases for further risk assessment at a more detailed level. To better understand risks in our supply chain we engage with expert organisations such as ETI, Sustainable Apparel Coalition (SAC), Textile exchange, STICA, Bluesign, Better Works, ELEVATE, Fair Wear and relevant OECD forums and human right networks. To assess the status of each value chain partner and to prevent assessment fatigue, we use three tools. This forms the foundation for handling the risk and prioritizing dialogue as well as further measures.

1. HIGG FSLM and FEM: If a manufacturer or supplier has shared a report with Norrøna, this forms the basis of the information needed in our risk assessment used to uncover how to move forward with the suitable surveillance, and to ensure proper and functional mechanisms on site. The Higg FSLM is built on the converged framework of the Social & Labor Convergence Program (SLCP).

2. 3rd party audits. At tier 1, we are currently using Elevate for 3rd party audits: many of our factories were audited in 2022 (16 of 23), and in 2023 we audited 3 factories, using Elevate. Not all factories are being audited, because they have been able to share audit reports from audits that have already been done, or they are part of the Better Work program which we support. We are in close dialogue with our factories to avoid audit overlaps. The information gathered from social audits forms an important basis for retrieving information about the current situation at the factories and the improvements that need to be done. We are developing new routines, increasing from every third year, depending on risk identified at the factories, and visits from Norrøna.

During 2023, one of the factories we are working with, did not agree that workers participated in the Worker Sentiment Survey which is an integrated part of the Elevate ERSA audit. The WSS Survey consists of questions, covering aspects such as demographics, health and safety, wages, and benefits, working hours, work atmosphere, and grievance mechanisms. The survey is conducted anonymously, and workers use their smartphones or similar devices to scan the QR code to conduct the survey. The auditor randomly selects workers to participate in the survey, and the site management staff needs to be cooperative to arrange workers accordingly. The survey is for production workers only, so the auditors will only select workers to participate, excluding any office or management staff.

When receiving the information, Norrøna immediately arranged meetings with the Elevate to better understand what happened, and asked for advice. The explanation was that the factory allowed the face to face interview with the workers but not the survey because this was not familiar to them. In our dialogue with the factory we communicated the importance of transparency, and that this is not acceptable. However, it's also important to us to communicate that the audit is not an approval process and that we want to work together with our partners to improve. We visited the factory in 2023, where openness was also an important theme, and in 2024 we will continue the close dialogue with the factory about the importance of transparency and openness about the workers well being. This includes preparing the factory for Fair Wear audits which include an offsite worker interview.

3. Factory checklist and regular visit of the factories. During 2023 we updated our factory checklist and improved our routines when visiting the factories. The checklist is not used as an approval process, but rather as a supplement to the formal audits. Before travelling, the CSR responsible goes through the audit findings and FSLM findings together with colleagues prior to travelling, and agrees on what to focus on during the visit. The findings are followed up by the CSR responsible.

In the Norrøna roadmap we have set a goal that 100% of our products are transparent, traceable, and accountable. To reach our goals we work across the below principles:

- Full traceability and accountability from feedstock to customer.
- Evaluate environmental impacts
- Use transactional tracing on all materials and products inclusive of packaging.
- Use of certifications such as GRS, RDS, RWS, GOTS as ways to trace the supply chain.

During 2023 we have done a comprehensive mapping evaluating alternative certifications for the different materials that we are sourcing, in order to reach the ambition to have full traceability in the whole supply chain,

and support standards that are focusing on workers rights and animal welfare. In 2023 we have strengthened our routines in order to have the necessary evidence showing the materials full value chain from raw material to finished fabric, focusing especially on GRS and RWS certification.

Norrøna still has a goal of being fully transparent with our products impact, and we are working together with Textile Exchange about doing regional LCA+ studies that will provide more specific, open sourced information for the basis of product impact scores. We will use absolute numbers for the impact measurements instead of comparisons and we continue to have close dialogue with relevant authorities to ensure that our desire to be transparent does not breach any regulations or is deemed to mislead in any way. Until we have completed this process together with the external organisations and gained proper approvals, we have decided not to use the MSI data publicly. We will continue with our 2029 goal of being fully transparent, traceable and accountable and work to improve the underlying data and language around our communication.

ADDITIONAL SEVERE IMPACTS

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

Norrøna has been measuring the phasing out of PFC's since 2015, but more recently we have concentrated on the complete phase out of all materials made with PFAS. PFAS, short for per- and polyfluoroalkyl substances, are man-made chemicals that possess many unique characteristics that improve durability and provide water and fat rejecting properties.

After significantly testing most of our materials, we found PFAS chemistry in many other places than in DWR (Durable Water Resistance) treatments. We find them everywhere from painted enamel on zippers, to recycled paper hang-tags, to inputs into reducing abrasion and even in some dyes. Through these learning we understood that it is not good enough to look at DWRs and state a product is "PFAS free", we must test every material use to a level of 50ppm for all PFAS alternatives. We started this process in 2023 and are well on our way to complete 100% testing of our material use including trims.

With new legislation coming the next year, both in the American market and in the EU, this has been a high priority project in 2023. We decided to focus on our SS25 collection to ensure no material or trims are made using PFAS. California will from 2025 prohibit the manufacture, distribution, sale, or offer of textile articles containing regulated PFAS chemicals above 100 ppm(100 parts per million) except for products made for extreme weather and ban all textile articles from 2027 containing regulated PFAS chemicals above 50 ppm(50 parts per million)

At the end of 2023 we have collected 78% of our test results. This testing has given us a much better understanding, but also given us some new insight and some surprises. The main focus has traditionally been the risk of PFAS in DRW material, but the testing has shown PFAS in other materials, including natural material. The reason for this is that PFAS are also used for other qualities such as anti- static and in color processes. During the test period, several of our material suppliers have already started to work on alternative and better solutions. The next phase of the project is close to having a dialogue with the material suppliers that haven't shared the test results, to make sure we have a full picture and to look at alternative solutions for the materials that provided positive results. Gore Tex, one of our most important material suppliers, is an important partner in this work. All the Gore- Tex material for SS25 tested negative. The goal is that FW25/ 26 will not have any material above the strictest level 50 ppm.



3

Management of salient issues

Cease, prevent or mitigate negative impacts

“Cease, prevent and mitigate” is about managing findings from the risk assessment in a good way. The most salient negative impact on people, animals, society and the environment should be prioritised first. This does not mean that other risks are insignificant or that they are not handled. The way the enterprise is involved in the negative impact is key to taking the appropriate action. Negative impact that the enterprise causes or contributes to must cease, be prevented and be reduced. To address negative impact directly linked to the enterprise, e.g. in the supply chain, the business must use its leverage to influence the entity causing the negative impact to cease, prevent or mitigate it. This involves developing and implementing plans and routines to manage risk and may require changes to the enterprise's own policy documents and management systems. Effective management of the negative impact on people, animals, society, and the environment is a major contribution to the achievement of the Sustainable Development Goals (SDGs).

3. A Cease, prevent or mitigate

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

Salient issue	Grievance mechanism, workers representation, freedom of organisation and collective bargaining
Goal :	Workers have access to grievance mechanism, workers representation, freedom of organisation and collective bargaining.
Status :	<p>Freedom of association is very restricted in several of the countries Norrøna are working in, including risk of interference, manipulating, or control of the unions. It's also a risk that the workers are unclear how unions can support them.</p> <p>In Vietnam, Independent democratic trade unions are not permitted to operate, and the law limits freedom of association by not allowing trade unions full autonomy in administering their affairs. China has not signed the ILO-conventions on forming unions and collective negotiations (C87 and C98). The state federation All China Federation of Trade Unions (ACFTU) is the only authorized trade union in China. All local and sectoral unions are obliged to be a member of the ACFTU, meaning that they are not independent, as they are indirectly controlled by the state.</p> <p>In addition it is also a risk of lack of well functional grievance handling system, and lack of general knowledge about workers rights. Minorities and migrant workers may also have more difficulty accessing grievance mechanisms and may lack network and necessary information about where to seek support and help if needed.</p>

Goals in reporting year :

1. Regularly mapping the status at tier 1-3, to get a more in depth understanding of the situation, and what are challenges at the different facilities. At tier 1, the focus has been to get a better understanding of the situation at the factories, and develop a plan for capacity building, and training, and if needed access to external grievance mechanisms.
2. Tier 2-3 we are working to support partners to use the FSLM self reporting , and that a higher percentage verify the report. Based on this focus will be on priorities and dialogue and mapping if capacity building is needed.
3. At tier 4, we have a focus on certifications that also include focusing on supporting workers with freedom of association and access to grievance mechanism.

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

We have continued working towards the ambition that the workers in our supply chain have an accessible and anonymous channel to voice their concern. We have established a closer dialogue with many of our manufacturers(tier 1), about the importance of social dialogue, workers involvement and effective grievance. The information that we receive from social audits and the FSLM reporting forms a baseline and guides us where we need more information and need for closer follow up.

2023 opened up for visiting more factories, also in China after a very long COVID lock down. Visiting the factories has been important to better understand what type of grievance mechanisms that are in place, and the need for further actions and training. The visits confirm that the grievance mechanisms are often not set up in a way that makes it possible to use the the channels anonymously. In some cases, the complain mechanism is also observed by a camera. There is also often a lack of understanding of what constitutes a good grievance mechanism, and the importance of social dialogue.

Based on the risk that we have identified, we see the importance of working with partners that can provide capacity building and training to improve in addition to the dialogue we have with the manufactures. One of the partners we have identified is the Better Work program in Vietnam. Some of our factories are already part of this program and Norrøna supports this partnership.

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

Tier 1: Based on the risk assessment, we will further develop an action plan, which include capacity building and potential need for support. We will engage with facilities and start testing out capacity building and training by Fair wear, focusing on grievance mechanisms and worker dialogue. Fair Wear will also provide access to external grievance mechanisms for the workers.

Tier 2-3: We will continue working to support partners to use the FSLM self reporting , and that a higher percentage verify the report. Based on this focus will be on priorities and dialogue and mapping if capacity building is needed.

At tier 4: Implement and improve our routines on the use of certifications, and include certifications that also include supporting workers with freedom of association and access to grievance mechanisms.

We will continue identifying if there are possibilities to cooperate across brands/industry and evaluate if possible to use the same system partner/trade unions/organisations to ensure one strong process at each facility instead of multiple routines from different brands.

Salient issue	Occupational health and safety in the supply chain
Goal :	Prevent and address risk related to health and safety in the supply chain.
Status :	The garment and textile sector present health and safety risks for many workers. This is also a risk closely connected to the risk of overtime and vulnerable groups in the supply chain, and discrimination of specific groups. To address occupational health and safety risk we systematically inspect our factories on safety standards to get more information about the current situation at the factories, using third party auditors and visiting our factories regularly.
Goals in reporting year :	<p>1. Training our employees and improving our factory checklist that is used by Norrøna employees during factory visits.</p> <p>2. Audits of factories, using third party third party audit. Based on the results in the audits, we will prioritize dialogue with the factories to make sure necessary progress has been made and decide if capacity building is needed, with support from external expert organizations.</p> <p>2. Tier 2-3: Further support suppliers to use FSLM and verify the reports.</p> <p>4.Tier 4: Mapping certifications that are focusing on workers that are equivalent to key of the International Labour Organisation (ILO), United Nations Guiding Principles on Business and Human Rights (UNGPs), and further develop a sourcing strategy for materials and use of certifications.</p>

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

In addition to regularly auditing factories by a third party. An important focus during 2023 has been to update our "on site" checklist, and to make sure that this list is used actively when we are visiting the factories. The checklist is not used as an approval process, but rather as a guide to support the formal audit. The team that are visiting the factories from Norrøna, discuss the findings from the third party audits with CSR responsible prior to the visits and agree on what to look for. This also opens up for a closer dialogue about the audit findings, and if the improvements has been done. The visits also provides a better understanding of what are the challenges and needs for improvements. Our experience is also that the overall conditions at the facilities, examples are that cleaning and heating are not always reflected in the formal audit, and therefore visiting is an important supplement.

For our tier 2-3, the focus has primarily to further support suppliers to use FSLM self assessment and verify the reports.

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

1. Continue training our employees and actively using factory checklists during factory visits. In 2024 we will also train the material team that is working closely with our suppliers.
2. Audits and visiting the manufactures, this includes Better Work and Fair Wear audits. Based on the results in the audits, we will prioritise dialogue with the factories to make sure necessary progress has been made and decide if capacity building is needed, with support from external expert organisations such as Fair Wear.
3. Implement and improve our routines on the use of certifications. In 2024, a priority will be finalizing the RWS and GRS certification of Norrøna factory and Norrøna HQ

Salient issue	Excessive working hours in the supply chain
Goal :	Prevent and address excessive working hours in the supply chain.
Status :	We are aware of excessive overtime as a risk in our supply chain. The risk of excessive working hours has especially been identified in China. Excessive overtime is strongly linked to workers' rights to a safe and healthy workplace, and lack of resting days, and the risk of accidents in the workplace. Excessive working hours is also linked to the issue of the legal minimum wages which often fail to provide enough income to meet basic needs.
Goals in reporting year :	Norrøna had goals in place since 2014 in relation to production produced during the low season. The ambition is to produce a 30 percentage of goods outside the peak season to reduce the pressure on the factories, reduce overtime, ensure stable work throughout the year and provide predictability to factories and their workers.

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

1. Norrøna has a strong focus on close dialogue with all our suppliers and manufacturers to gain the best possible production cycles and predictability per season. Long and reliable partnership also supports honest, constructive and open dialogues. The ambition is to produce a certain percentage of goods outside the peak season to reduce the pressure on the factories. For 2023 we produced 45% outside peak season, which was an decrease from 2022, that was 57,31%. The number was particularly high in 2022 , and the reason for this was that Norrøna pre- ordered more than usually to handle the consequences of Covid, which caused big delays on components and materials.

2. We are mapping our factories practices on the use of overtime by using the data from audits report and FSLM reporting, and based on this we have ongoing dialogue with the manufactures how Norrøna can help to reduce overtime.

3. Norrøna have committed to participate in the Learning and Implementation Community (LIC), organised by the MSI Working Group on Responsible Purchasing Practices, which uses the the Common Framework for Responsible Purchasing Practices (CFRPP) as a reference point. About 35 garment brands, together with supply chain partners, are joining together regularly for 2 years, with the aim of implementing practical changes to purchasing practices, in order to give scope for improved supply chain working conditions. From Norrøna, the product developers and the supply chain department has been part of the sessions and the discussions. As part of the program we have done a risk analysis of our practices when developing and producing our product, and how this effect our manufactures and identified where to improve.

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

1. Continue close dialogue and map manufactures practices on the use of overtime, and examine seasonal and departmental peaks in workload and production in cooperation with the manufacturers and suppliers.

2. Further improve our internal purchasing practices to ensure a constructive spread of capacity throughout the year, and continue our participation in the 2 year learning program about Responsible Purchasing Practices. lessons learn and suggestions for improvement will be shared with the wider organisation.

Salient issue	Modern slavery in the supply chain
Goal :	Prevent and address risks of modern slavery in our value chain.
Status :	We are aware of the risk of forced labour and modern slavery in regions where we have supply chains. The risk has been identified through assessments, and dialogue with relevant NGO's. The risk has especially been identified at tier 4 . The issue is related to Code of Conduct clauses ""Forced Labour"" and ""Child Labour"".
Goals in reporting year :	<ol style="list-style-type: none"> 1. Develop modern slavery policy and to in a greater exten include it into our Code of Conduct. 2. Amend our Code of Conduct and implement it towards all our suppliers and manufacturers. 3. Both Modern Slavery Policy and amended CoC to be translated to relevant languages.

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

1. We are mapping our factories practices and potential risk of modern slavery, using the information from the third party audits, and FSLM reporting.
2. We have identified cotton as one of the materials we are sourcing that presents a higher risk of modern slavery and child labour. An important priority has been to make sure that we have a Transactional Certificate (TC) showing the materials full value chain from farm to finished fabric as well as the raw material origin. Also, in order to have the correct verification through the TCs, Norrøna needs to be the buyer of the material which has started the process of improving our sourcing and purchasing routines across all materials to prove our value chain, and have a dialogue and expectation towards our suppliers about this requirement.
3. We have done a comprehensive mapping of different certifications for sourcing material, including standards on workers' rights, and developed a certification policy based on this. During 2023 we started to test regenerative organic certified cotton as an alternative for our cotton products, the materials are certified by Fair for Life, which is one of the certifications we have identified focusing on the well being of farmers.

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

1. Update our code of conduct, to include a modern slavery policy and amended ""CoC"" to be translated to relevant languages and communicate this to our manufacturers and suppliers.
2. Continue to review and analyse risks of modern slavery in our supply chain, and work with new partners that are providing more comprehensive audits such as Fair Wear, that includes more off-site dialogue with workers.
3. Continue to map and identify gaps in visibility –especially at the lower tiers and to better understand the situation for vulnerable workers and improve documentation at material level from raw material origin to finished fabric.

Salient issue	Decent wages in the supply chain
Goal :	Contribute to achieve living wages in our value chain
Status :	<p>The legal minimum wages in the textile industry often fail to provide enough income to meet basic needs and for many workers, the income does not provide a way out of poverty for the workers and their families. Ensuring a living wage is an essential aspect of decent work and is defined by “the wage needed to provide the minimum income necessary to pay for basic needs based on the cost of living in a specific community”. Lack of living wage is also related to other issues such as overtime, discrimination and modern slavery.</p>
Goals in reporting year :	<ol style="list-style-type: none"> 1. Wage status is assessed in detail for all of our cooperating factories. 2. Use our leverage as a customer and long term partner to educate and amplify our policy related to living wages. 3. Improve Norrønas purchasing practices

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

1. We have started to analyze the wage status in detail for all our cooperating factories at tier 1, to develop a better understanding of the wage system at the factories. This is very challenging, because the data that we receive from the audits report are based on samples and average data. We also started to mapped different benchmarks on living wage.
2. We have done a mapping of partners that can support us with improving the wage level at tier 1 level, and that are working on a national and global level to improve the legal framework. One example of this is the Better Work program in Vietnam. We are active in ETI living wage working group, which is an important forum for learning, inspiration, share best practices and focus on practical approaches within this field.
3. Norrøna are participating in the Learning and Implementation Community (LIC) organised by the MSI Working Group on Responsible Purchasing Practices, which uses the Common Framework for Responsible Purchasing Practices (CFRPP) as a reference point. About 35 garment brands, together with supply chain partners, are joining together regularly for 2 years, with the aim of implementing practical changes to purchasing practices, in order to give scope for improved supply chain working conditions. The program also covers fair payment terms and sustainable costing- From Norrøna, the product developers and the supply chain department has been part of the sessions and the discussions, and analyzing consequences of our practices and routines, and how to improve.

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

1. Continue analyzing the wages for our cooperating manufacturers at Tier1, Based on this with will start a internal project-plan focusing on collecting data, this includes: better understanding of actual wage at facilities we are working with, comparing with living wage benchmarks, identifying wage gaps, identifying and collecting best practices models for living wage program from stakeholders in the textile industry, and identify variables to choose potential manufactures that could potentially be part of a pilot program.
2. Continue our participation in the Learning and Implementation Community (LIC) on Responsible Purchasing Practices, and further analyse if Norrøna's need for adjustment in making sure that Norrøna are paying the actual price that allows for fair wage increases.
3. Seek collaboration across brands to increase leverage and push for necessary changes, using our membership in Ethical Trade Norway, and the new membership in Fair Wear starting in 2024, and other expert organisations.

Salient issue	Discrimination, Violence and harassment
Goal :	Workers shall be treated with respect and dignity
Status :	<p>We are aware that some workers are particularly vulnerable to exploitation and discrimination, women and immigrants are especially at higher risk of being paid lower wages and face specific barriers to articulating and demanding their rights as workers. Gender discrimination runs deep throughout many of the countries that Norrøna are working in and women are particularly vulnerable to discrimination and harassment and violence in the workplace in the textile industry. They are often paid lower wages than men for the same activities.</p> <p>Harassment is a risk in several of the countries we are working and we are aware of the high risk of violence and harassment in the lower part of the supply chain. Women who are low income workers, migrant workers and/or are employed informally are particularly exposed to risks of sexual harassment and sexual and (gender)based violence in the workplace. Minorities, including ethnic, religious and caste minorities, are often much more vulnerable to harassment and violence due to their “lower status”. Quality of data is challenging, because of social norms and lack of knowledge of rights and lack of safe channels to report.</p>
Goals in reporting year :	<ol style="list-style-type: none"> 1. Amend our Code of Conduct and implement it towards all our suppliers and manufacturers. 2. Strengthen risk assessment, to further identify risks that are particularly for vulnerable groups, including gender-specific risks, this includes increased dialogue with workers and using gender-responsive due diligence tools. Work with expert organizations such as FOKUS – Forum for Women and Development to better understand risk of discrimination, and violence and harassment in our value chain. 3. Prioritized based on risk assessment and develop an action plan that include capacity building and training and access to grievance mechanisms.

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

We have focused on close dialogue with the manufactures we are working with, using the information from the third party audits, which are giving some indication whether discrimination, and violence and harassment is happening, as well as the FSLM reporting. This forms the basis for a dialogue and what to look for when visiting the manufacturer. Another important tool has been the use of an updated "on site" checklist, when Norrøna employees are visiting the factories. The team visiting the facilities are informed about the findings from the audits, and use the checklist as an important supplement, also with gender lenses. This also opens up for a closer dialogue about the audit findings, and understanding of what are the challenges and need for improvements.

The issue of risk of discrimination, and violence and harassment is also strongly linked to the work on strengthening the social dialogue and access to grievance mechanisms, which also have been an important part of our dialogue with the factories.

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

1. Improve and collect more quality data, in order to prioritize actions where they are most needed. This includes strengthening risk assessment, and looking for risks that are particularly for vulnerable groups, and using gender-responsive due diligence tools. Work with expert organisations to better understand the risk of violence and harassment in our value chain.
2. Based on the risk analysis, develop a training plan at facility level, and improve access to grievance mechanisms where needed.
3. In house training about gender specific risks and other vulnerable groups,, and what to look for when visiting the factories and using the factory checklist.

Salient issue	Greenhouse Gas Emission (Scope 1-3 emission)
Goal :	100% carbon neutral company by 2029
Status :	<p>The textile and garment sector accounts for a significant proportion of global carbon emissions. There is a need to improve the data in the sector, but it is estimated that the apparel industry could account for approximately 2-7% of total global emissions. Norrøna has been calculating our Scope 1 & 2 carbon footprint since 2018, but from 2020 we also included our Scope 3 greenhouse gas emissions and will continue the process every year forward. We will also focus on improved data quality and auditing the results to improve our work and provide greater transparency. Every department leader has specific KPI's supporting sub goals to move Norrøna towards becoming a carbon zero company by 2029. Through this project plan, every department and all employees should be directly involved in the reduction of our company's scope 1, 2 and 3 emissions.</p>

Goals in reporting year :

1. Continue our partnership with The Scandinavian Textile Initiative for Climate Action (STICA) and improve our measurements of Scope 1 - 3 emissions. As in 2022, Norrøna will continue to publish our measurements publicly and make it available to our customers and external stakeholders on our webpage. We will continue our strategic partnerships with Fashion For Good, Sustainable Apparel Coalition and Bluesign as well as Textile Exchange, to ensure chemical compliance, good water and air protection and track our fibre use through the Textile Exchange Corporate Fiber & Material Benchmarking. In addition we also increased our membership with the Outdoor Industry Association to cooperate with the Clean Chemistry and Material Coalition(CCMC).

2. Focus has been projects that are defined and important contributions towards the goal of zero carbon emission by 2029; these are:

- 1) Green material use including increasing towards 100% recycled synthetics and high percentage of reprocessed natural fibres where it does not decrease product longevity.
- 2) Improved efficient energy use in our supply chain: tier 1, 2, and 3 level
- 3) Green shipping to factories, warehouses and consumers,
- 4) Renewable energy at HQ and offices and stores
- 5) Green commute by Norrøna employees,
- 6).Further development of green business travel,

3. Norrøna is committed to promoting sustainability by implementing a range of initiatives focused on the principles of reuse, resell, rent, take back, and refit. In the fall of 2023, introduced the option of reselling clothing in our new flagship store at our HQ.

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

Piloting PHA: Our goal is to move forward with making each feedstock with as small an environmental footprint as possible. This means investing in projects like PHA which we have run two major pilots with showing failing results both times. We continue to pilot PHA which in its best form can potentially be made with greenhouse gas emissions as its feedstock and making it biodegradable and eventually recyclable at end of use. We also invest in chemically recycling our waste and researching fiber technology that absorbs more carbon such as regenerative organic agriculture or untraditional feedstocks not yet commercial.

Transportation: we used more flights than we budgeted due to the tremendous turmoil that occurred in shipping transportation. While we earlier used train transport from Asia, that still was not an option due to the war in Ukraine. Ships and shipping port delays required to use more air freight. This was particularly important on seasonal products to ensure they made it to market and were able to sell, as we have a policy of selling 100% of what we produce. In our 3rd party warehouse they changed to a 100% renewable energy for electricity, which provided a reduced carbon footprint. The warehouse continues to use natural gas, but has been working towards reduced greenhouse gas

emissions. At our Norrøna factory in Lithuania, they installed solar panels on the connecting facility to provide renewable energy and significantly reduce the factory's carbon footprint.

In our **Zero waste project** an important focus in 2023 has been on more efficient use of material use, reducing waste and finding ways to recycle our material cuttings. To recycle our cuttings we ran a test pilot with a chemical recycling innovation startup to take polyester/elastane blends and recycle the polyester portion back into the chemicals to sell to fiber producers. This pilot was a success, and we now plan to run the next pilot with 20 kilos of our cuttings with blended fibers. We also ran a pilot to test our wool cuttings from our factory to see if we can reprocess them and use them in our own products. This pilot also showed positive results and we plan to reprocess and use our wool cuttings from our factory in Lithuania. These will have a significant impact on our waste as pre-consumer waste is from 15 to 20% of our total material usage. We are also testing a process change that evaluates pattern efficacy from the first prototype to improve and maximise it and hopefully bring it to 90%, which will reduce our overall cutting waste. This has been tested at our own Factory in Lithuania.

In 2023 we launched **Norrøna Re** at the same time as the opening of Norrøna House. This includes six concepts. We have offered Repair and Refit services to our customers for a long time, but with the launch of REuse, we are offering our customers used garments sourced directly from Norrøna. Most of these products are pre-owned products returned to Norrøna, and were in need of repair and care. During 2023 we piloted a model where the garments were repaired at Norrøna factory, to be ready for use again and sold at Norrøna House. The REuse products are categorised in three categories and all come with a warranty based on the product's condition. We also provide transparent and useful information about the history of the product to the customer, this information is available in a QR code, connected to the hangtag of the product. We are currently testing and learning what types of RE-products are being sold, the potential for re-sale and profit. So far the customers have been very positive and we are happy about the amount of products being sold. In addition to the Reuse we are also offering Re wash of products, Rental services, and welcoming Norrøna products for our REcycle program in all of our retail stores, to avoid that the products are ending up as waste.

In 2023, we continued working in partnership with the Scandinavian Textile Initiative for Climate Action (STICA, Sustainable Apparel Coalition, Fashion For Good and Bluesign as well as Textile exchange, to ensure better data, chemical compliance, understanding our water impacts and tracking our fibre use through the Textile Exchange Corporate Fiber & Material Benchmarking. To help the textile industry better understand its energy, water, resource use, soil health, and social impacts of the tier 4 impacts on feedstocks, we partnered with Textile Exchange and a hand full of other companies to support both financially and with expertise the development of new, open sourced LCA's for cotton, polyester and polyamide. This is a massive undertaking that will be used throughout the industry to update and improve impact data for calculating our various impacts. We have also been part of the Sustainable Apparel Coalition Product Module Strategic Council to prepare companies for new legislation that come into effect to measure product impact. The Product Module will take into account the PEF(Product Environmental Footprint) as well as improving on data collection and helping companies measure and reduce their overall product impacts

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

1. An important focus in 2024 will be to analyse the potential of improved efficient energy use and transition to renewable energy sources in our supply chain at tier 1, 2, and 3 levels.
2. Further develop the Norrøna RE model,
3. Better material use, focusing especially on transition from virgin to recycled elastan
4. Zero waste, decide which of the 5 projects in proto type phases that have been identified: design for repair-ability, fiber fragment release, material efficiency, quick estimate (software to understand efficient use of material), removing waste in Bom.
5. We will continue our partnership with the Swedish Textile Initiative for Climate Action (STICA) and improve our measurements of Scope 1 - 3 emissions and our strategic partnership with Fashion For Good and Bluesign as well as Textile exchange, to ensure chemical compliance, good water and air protection and track our fibre use through the Textile Exchange Corporate Fiber & Material Benchmarking.

Salient issue	Microfiber pollution
Goal :	Reduce the risk plastic microfibers pose to marine environments
Status :	<p>In 2023 there have been new studies on microfiber pollution. Some of the findings were that the pollution in our marine environment is coming from both natural and synthetic fibers. The natural fibers also do not biodegrade when deep in the ocean, so the issue is more about fibers that enter our oceans and do not biodegrade. Another issue we plan to study further is whether the toxic chemicals are leaking from the fiber pieces, or whether they are absorbing toxicity from the oceans.</p> <p>Other recent studies question how the microfibers are ending up in our waterways, as the belief that the majority of it is coming from washing machines is being questioned. What we understand is that we must produce products that withstand fiber migration during the use stage and we must capture and recycle all pre-consumer forms of fiber loss. We will collaborate with other companies and organizations to find answers pertaining to how fibers are ending up in our waterways and how we can reduce our part in causing it.</p>
Goals in reporting year :	<ol style="list-style-type: none"> 1. Developing a baseline, how much of our fabrics are most prone to release fibres during all use phases. Based on this we will evaluate new materials to be able to minimise the waste. 2. Install filters to trap the micro fibres with 90% efficiency in all Norrøna washing machines. 3. A separate project working on reducing and capturing plastic waste, that will include focusing on innovation but also identifying strategic partnerships.

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

A separate project working on capturing plastic waste has identified three different test methods that can be used to verify the fibre fragment release. Next step is to decide which test method to use, and what type of material we need to test within our collections.

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

1. A priority will be to choose the test method, and select and test all the prone to shed fabrics in Norrøna collection. Based on the test results convert all the selected materials to shedless options.
2. We will look to participate in new research that can help us understand better about our impacts on the marine environment and how we build better products that create fiber migration.
3. From a long-term standpoint, we will work with our fabric suppliers to make fabric less prone for fibre fragment release of more durable fabrics, and consider alternative and new construction.

3.B OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

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

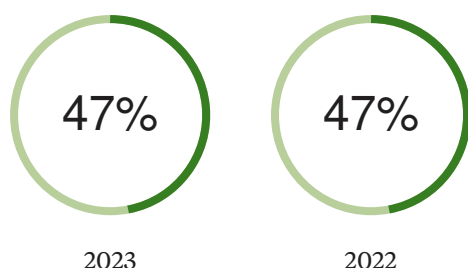
3.B.1 Reduction of nature- and environmental impact

We have established a separate project focusing on biodiversity, and how to ensure that we are contributing to reduction of nature - and environmental impact. We are currently using WWF risk filters on biodiversity, at tier 1-4 to better understand the risk in our supply chain, and where to prioritise. The WWF Biodiversity Risk Filter is an online tool that enables companies to analyse and respond to biodiversity risks. We also track our fibre use through the Textile Exchange Corporate Fiber & Material Benchmark, and the Biodiversity Benchmark. This will help us to set baselines for our biodiversity goal, and develop targeted actions in order to reach milestones leading towards our overall targeted achievements.

The textile industry is a big consumer of water globally, and relies on water throughout the production process for textiles and garments. It is therefore critical that we evaluate and reduce our total usage of water. This will be through reduction of wet processing within our value chain and our sourcing of cotton. 2023 was the first year we measured our material impact on water usage and water quality based on LCA studies from our material impacts and processes. Other areas of Norrøna's water usage, are still being mapped and analysed, and will be covered within our biodiversity project in the 2029 Road Map.

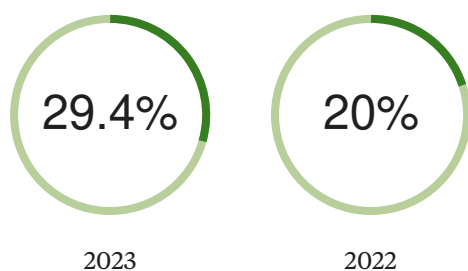
Indicator

Percentage of suppliers that measure their greenhouse gas emissions



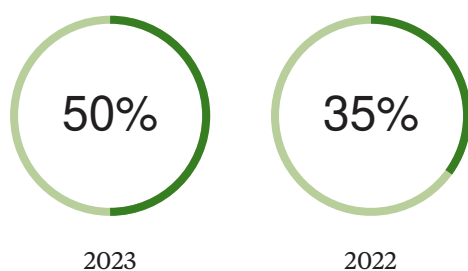
Tier 1: 7 of 15 reporting factories in tier 1 measure their Co2-emissions and have set sustainability related reduction targets (long term). This number is based on self assessment.

Percentage of suppliers that use renewable energy



Tier 1: Factories with actual reported numbers (15 factories). This number is based on self assessment.

Percentage of suppliers with programmes or measures for responsible water treatment (use and discharge)



Based on tier 1, volume.

3.B.2 Reduction of greenhouse gas emissions

In 2020 Norrøna calculated our Scope 1, 2 and 3 greenhouse gas emissions for the first time, and we have repeated this process for 2023 as well as improved the quality of the data and been audited. Norrøna is a member of the Swedish Textile Initiative for Climate Action (STICA) where we measure our Scope 1 - 3 emissions. This is publicly available in Stica progress report 2023. Every department leader has specific KPI's supporting sub goals to move Norrøna towards becoming a carbon zero company by 2029. Through this project plan, every department and all employees should be directly involved in the reduction of our company's scope 1, 2 and 3 emissions .

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

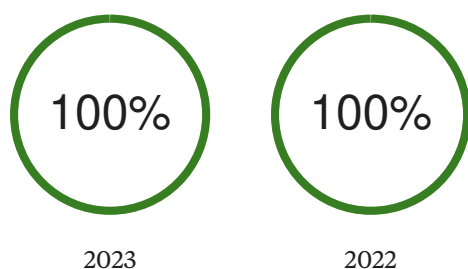
Norrøna has close dialogue with our supply chain partners, and we value the importance of providing accurate information about style construction and materials. If we identify errors that are outside the factories control we do not hold the factory responsible for achieving a delivery on-time. We discuss together and agree on how to re-schedule based on their capability and respect that we are not the only customer that they are supplying to.

We regularly have discussions on a top to top level relating to how they are managing in terms of financing the business. When necessary, we have offered financial assistance or a change in payment terms (for example, bridging finance when other large customers have defaulted on payments).

Norrøna are participating in the Learning and Implementation Community (LIC) organised by the MSI Working Group on Responsible Purchasing Practices, which uses the Common Framework for Responsible Purchasing Practices (CFRPP). About 35 garment brands, together with supply chain partners, are joining together regularly for 2 years, with the aim of implementing practical changes to purchasing practices, in order to give scope for improved supply chain working conditions. This involves meetings for sharing good practices and learnings and guidance. From Norrøna, CSR responsible together with the product developers and the supply chain department have been part of the sessions and the discussions. As part of the program we have done a risk analysis of our purchasing practices and how this affects our partners. We have also invited some of our manufacturers for feedback and opened up for discussion on how we can improve. This course is providing important perspectives and learning to better understand how our practices affect the supply chain working conditions.

Indicator

Percentage of payments to suppliers that are made on time



During 2023 we renegotiated the terms on some invoices, the renegotiations was related to inventory build-up and high level of investments that constrained cash available over the summer until FallWinter-payments started to get in. We paid on time related to the new terms we set.

3.B.4 Choice of products and certifications

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

100% of cotton is organic (GOTS certified).
3 % of our wool is GOTS certified by weight of wool purchased
57 % of wool styles use RWS certified wool material

10% Schoeller Tasmanian traceable wool
30 % of our wool is from reprocessed wool .
100% of our down is RDS certified.
85 % of the polyester we use is recycled.
80 % of the polyamide we use is recycled.
We are now working on 100 % of materials made without PFAS

80% of the cardboard used in our export cartons are FSC certified and with 70-90% recycled content, and in 2024 we will phasing out old packaging that are not following certifications.

80% of the polybags used in our collection are 100% recycled (post consumer) and GRS certified.
In 2024 will lead to further implement the last 20% into not only 100% recycled post consumer polybags. In addition; a change from solid polybags around each item, to one assortment polybags per expert carton. This is relevant for our accessories like hats, socks, gloves etc.

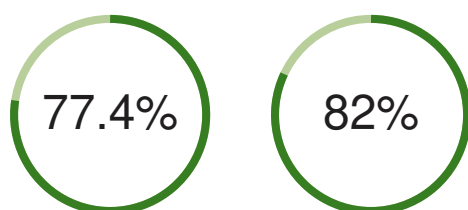
Norrøna has focussed on getting traceability within our animal supply chain. We use GOTS and RWS certification to help look after animal welfare in our wool supply chain, but we have learned that we need to identify other solutions for sourcing leather which we use in gloves. We are currently screening new alternative leather suppliers with the ambition to be onboarded during 2024. The issue is while it will be possible to get RWS eventually for our sheep skins, there is no verification process for goats. The LWG(Leather Working Group) provides security from tanning on, it currently does not protect the animals in the fields. We have been in discussions with both Textile Exchange experts and the LWG to find solutions for the future that will reduce the risks of both animal welfare and chemical use. During 2023, our current leather supplier went bankrupt, and we have identified a new leather supplier that is certified by the leather working group, at gold level. The LWG audit protocol is used to assess the environmental performance of leather manufacturers. The medal levels have been set based upon best practice within the industry and reward good environmental practices. The medal levels are scored at 85% (Gold), 75% (Silver) and 65% (Bronze). The supplier must score the minimum in each of the protocol's scoring sections. This standard is used to assess leather manufacturers on the following aspects: Water & Energy Usage, Solid Waste & Effluent Management, Air & Noise Emissions Traceability, Health & Safety, Chemical Management, Restricted Substances, Compliance & Chromium VI (CrVI) Management

3.B.5 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation

The importance of trade union and workers representation is something we are focusing actively on in our dialogue with the manufacturers, but we also acknowledge the need for working with expert and local partners that can support Norrøna with providing capacity building and training at the facilities. We are actively supporting participation in the ILO Better Work program in Vietnam, and from 2024 we are entering membership in Fair Wear, which will provide access to external grievance mechanisms for the workers, and help us with providing capacity building. This is described more in the salient risk chapter.

Indicator

Percentage of supplier located in countries with restrictions on trade union rights or collective bargaining

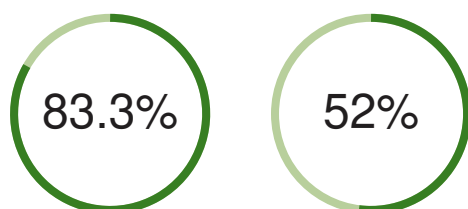


2023

2022

The numbers are based on Tier 1 level. Freedom of association is very restricted in several of the countries Norrøna are working in, including risk of interference, manipulating, or control of the unions. It's also a risk that the workers are unclear how unions can support them. Vietnam present 39, 57 % of volume produced for FW23/24 and SS24 at tier 1 level. China present around 37, 87% of volume produced for FW 23/24 , SS24 at tier 1 level.

Percentage of suppliers with well-functioning trade unions



2023

2022

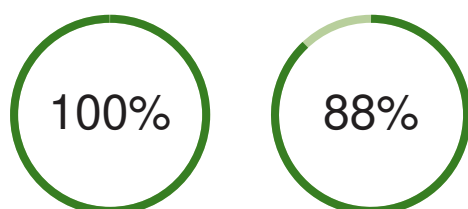
2022: The data is based on 16 audits that was done in 2022, and one shared audit report.

2023: The data is based on 5 audits that was done in 2023, and one shared audit report.

The audit does not say anything about the quality of the unions and how the workers have been elected.

We work from a three year cycle when auditing the factories we are working with, after 3 years all factories shall be audited. Depending on risk we increase the frequencies of the auditing.

Percentage of suppliers with worker representation other than trade union



2023

2022

2022: The data is based on 16 audits in 2022, and one shared audit report .

2023: The data is based on 5 audits that was done in 2023, and one shared audit report.

The audit does not say anything about the quality of the workers committees and how the workers have been elected. We work from a three year cycle when auditing the factories we are working with, after 3 years all factories shall be audited. Depending on risk we increase the frequencies of the auditing.

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

Norrøna has the ambition to move beyond traditional auditing, and we have done a comprehensive mapping of alternative partners that can offer support with capacity training, and more direct contact with our workers. Several of our factories are part of the Better Work program that are focusing on capacity building and training. One important reason for entering membership with Fair Wear, is that they can offer support and training at facility levels in the countries we are sourcing from. We are also focusing on training our own employees, to include workers' well being and human rights risks, in their dialogue with the factories. Norrøna finds it important that this process is based upon cooperation with each relevant manufacturer / supplier / workers and other relevant system partners and stakeholders to develop action plans and/or related capacity building efforts prior to implementation to avoid unintended negative impacts, as well as get supplier buy-in for greater supplier engagement.

3.B.7 Combatting corruption and bribery in own enterprise and supply chain.

We are aware of the risk of corruption is high across Norrøna supply chain. At tier 1 level the risk is high in several of the countries we are working in. According to the Corruption Perceptions Index, the risk of corruption in China is high and the corruption in social auditing is a widespread problem, and therefore can be a serious barrier to detecting labor rights abuses. Corruption is also a pervasive in Vietnam's business environment. Both the public and private sector have a high level of risk of corruption, mostly in the form of gifts and bribe payments.

All employees are obliged to familiarise themselves with the handbook and Norrøna policies, including the anti bribery policy. The RBC and the Code of conduct is shared with all manufacturers and suppliers clearly states Norrøna policy concerning bribery, and the code of conduct must be signed with all suppliers and manufactures before doing business with Norrøna. Before entering a new partnership, we evaluate corruption risk prior to entering into a supplier relationship when operating in high-risk countries. In 2023, we invited Transparency International Norge to hold a training for the management group and employees about corruption, the risk related to corruption and dilemma training on how to handle potential situations related to bribery and corruption.

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

During 2023, one of the factories we are working with, did not agree that workers participated in the Worker Sentiment Survey which is an integrated part of the Elevate ERSa audit. The WSS Survey consists of questions, covering aspects such as demographics, health and safety, wages, and benefits, working hours, work atmosphere, and grievance mechanisms. The survey is conducted anonymously, and workers use their smartphones or similar devices to scan the QR code to conduct the survey. The auditor randomly selects workers to participate in the survey, and the site management staff needs to be cooperative to arrange workers accordingly. The survey is for production workers only, so the auditors will only select workers to participate, excluding any office or management staff.

When receiving the information, Norrøna immediately arranged meetings with the Elevate to better understand what happened, and asked for advice. The explanation was that the factory allowed the face to face interview with the workers but not the survey because this was not familiar to them. In our dialogue with the factory we communicated the importance of transparency, and that this is not acceptable. However, it's also important to us to communicate that the audit is not an approval process and that we want to work together with our partners to improve. We visited the factory in 2023, where openness was also an important theme, and in 2024 we will continue the close dialogue with the factory about the importance of transparency and openness about the workers well being. This includes preparing the factory for Fair Wear audits which include an offsite worker interview.

A close-up, high-angle shot of a sewing machine's needle and foot stitching a piece of light-colored, textured fabric. The needle is in the middle of a stitch, and the thread is visible. The background is blurred, showing more of the machine and the fabric.

4

Track implementation and results

Tracking implementation of actions and results relates to measuring the effects of the systematic approach and own work in each step of the due diligence process, showing whether the enterprise conducts sound due diligence work. The enterprise needs to have procedures and routines in place in order to uncover and critically assess own conclusions, prioritizations and measures that have been made as part of the due diligence process. For example, is mapping and prioritisation of salient issues done in a scientifically sound and credible way? Does it reflect the actual conditions in the supply chain? Do measures aimed at ceasing, preventing and reducing the enterprise's negative impact work as intended? Is negative impact remediated where relevant? This may apply to measures taken by the enterprise alone or carried out in collaboration with others. The enterprise's experiences from working on due diligence should be used to improve procedures and routines in the future.

4.A. Track and assess

4.A.1 Describe the a) assignment of responsibility for tracking the effect and result of measures implemented to cease/prevent/mitigate salient risks of negative impact on people, animals, society and the environment, as well as how the tracking is done in practice, b) who is responsible for evaluating the enterprise's implementation and work with due diligence, and how the evaluation is done in practice.

The overall strategy for social and environmental responsibility sits within the Chief Sustainability Officer (CSO).

Activities and performance on human rights issues are tracked and followed up by Norrøna's CSR responsible. She works closely with all members in our RD&D department who regularly visit and have a close dialogue with our manufacturers and suppliers. We have regular meetings about our responsible business policies and CSR policies to ensure all employees work and act according to these standards, including training and involvement of relevant departments. The CSR responsible detects the scale of issues and develop plans of how to improve our factories, time frame and the seriousness of issues. This is a running process throughout the year.

Norrøna's project methodology aims to utilise all employees as resources to accomplish the goals of our 2029 responsibility roadmap. Approximately 20% of employees' available time is aimed to be made available to participate in projects across all departments. All sustainability projects stem from our Responsibility Roadmap 2029 and consist of an internally developed project methodology to ensure due process as well as steady progress and decision making.

The Sustainability Developer & Project Leader works across the entire organisation with project management and execution of plans to reach strategic goals as well as lead Norrøna's responsibility timeline towards 2029. She is further responsible for securing and analyzing data for all initiatives, especially working on measuring the environmental and climate goals in order to measure and verify progress.

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

Through our follow up audits at our factories, we are able to identify and prevent repeat of weaknesses and to check that actual improvements have been done at factories. Both Ethical Trade Initiative, ELEVATE audits, FSLM and FEM reporting, STICA reporting and TUV (as our Higg BRM verifier) are important in the work of improving our knowledge and work related to social and human management at site. During 2023 we also increased focus on the importance of visiting our factories, using a factory checklist as a reference during the visit, in addition to the audit findings and CAP plans. Visiting the factories has been important to better understand the risks, and to have a closer dialogue about what actions are being done from the manufactures side, and the potential need for actions and training and support from Norrøna.

The KPI's that are developed based on Norrøna roadmap are measurable and are part of the bi-annual review process. Together, all KPI's make up our annual plan to hit or exceed our sustainability targets. The baseline that is developed for all the KPIs, and shows status for each KPI including priority in what is in process "on hold" or "delayed". The status for the roadmap goals are annually presented to the board with a follow up, including priority and action plan.



5

Communicate how negative impacts are addressed

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

5.A External communication

5.A.1 Describe how the enterprise communicates with affected stakeholders about managing negative impact

Norrøna logs salient issues through 3rd party audits and factory visits and meetings from our own employees. Workers are anonymously interviewed in the social audits that are done by Elevate, in groups and separately. We recognize the need for more communication directly with the workers, and this has been important when mapping alternative partners that can provide more comprehensive audits that also include workers' perspective on a larger scale.

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

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

Through our RBC, CoC and under the heading "our responsibility" on our Norrøna web page, we communicate our sustainability work with easy-to-follow graphs as well as more descriptive information. In addition to our detailed responsibility webpages, we also use our social media platforms to share concrete tasks we've completed towards improving our impact on the environment and society as well as communicate valuable partnerships made in help of achieving our goals. We publish the annual ETI on the web page and share a summary from the report to make it available for external stakeholders.

As reflected in Norrøna's roadmap, we also have an ambition to be even more transparent about our supply chain, and share more information about our manufacturers and suppliers. In 2023 we continued the work on publishing and sharing more detailed information about the manufacturers we are working with, including information and working conditions at the factory such as salary. This information is linked to the product to provide this information in an accessible way to the customers.

In 2023 we shared information on our website about our progress on our goal to become carbon neutral by 2029. We shared information about the average carbon emission per product sold, per product and transportation per product.

In our retail stores, we host panels and presentations centered around the topic of sustainability. Our goal in bringing this discussion to our floors is to make ourselves more available to the consumer and keep the dialogue open for all those wishing to participate. Our Sustainability and Innovation Director, Brad Boren, has also increased his visibility in larger Responsibility forums in an effort to create stronger partnerships.

In 2023 we opened Norrøna House, our new headquarters where we introduced Norrøna RE- For a long product life. This is our full scale initiative for more responsible, circular business and included among other Reuse a second hand store and services like rental. The storytelling and installations throughout the house is focused on creating an immersive experience where customers and guests can be inspired to take care of their products by repairing them when needed and delivering them to recycling when they are beyond repair. Two large walls are dedicated to showing vintage products still in use. We have also continued our communication in Social media called "years in use" on repair stories where we are telling the customer's story behind a product delivered to our service center and promoting giving products a long life.

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

As required by the Transparency Act, we have set up a separate e-mail for external stakeholders for questions regarding how Norrøna addresses actual and potential adverse impacts. This email address is accessible on our website. The CSR responsible is answerable for handling these requests, and will seek advice from relevant colleagues when needed. Norrøna customer service is in dialogue with our customers daily.

If customers have questions relating to a specific product or more general questions concerning sustainability, support is provided internally by the customer services, with support from CSR responsible and/or other relevant colleagues. Based on the questions we receive from external stakeholders and customers, we are continuously working to improve the information provided on our webpage as well as ensuring it is easily accessible for our customers.



6

Provide for or cooperate to ensure remediation when appropriate

Once an enterprise has identified that it has caused or contributed to negative impact on people, animals, society or the environment, the enterprise must provide for, or cooperate in, remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. Another aspect of remediation is that companies should provide for, or cooperate with legitimate complaint mechanisms, to ensure that workers and/or local communities can raise complaints and be heard.

6.A Remediation

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

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

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

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

6.B. Ensure access to grievance mechanisms

6.B.1 Describe what the enterprise does to ensure that employees in own enterprise and other stakeholders, especially impacted workers and local communities have access to whistleblowing systems and grievance mechanisms when this is needed

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

Regardless of internal routines, COVID-19 highlighted the need for remote solutions to workforce management in order to amplify workers' voices. Norrøna fears that the lack of external inspection reduces the social and human management for the workers and are working on ensuring this to be in place even when inspections and visits are not possible. Therefore, Norrøna decided to set an ambition in 2021 to ensure workers an easy and anonymous channel to channel their concerns, if necessary outside their own organisation.

In order to provide this to the workers at facility levels, we need to work with partners that can provide capacity building and access to external grievance mechanisms. In Vietnam, we are supporting manufacturers' participation in the ILO Better Work program, and in 2024 we will enter a partnership with Fair Wear that can provide training, capacity building and access to external grievance mechanisms.

During 2023 we also started to prepare a grievance mechanism at our web page. The complaint mechanism will make it possible for external stakeholders to complain about breaches concerning Norrøna RBC.

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