



Due Diligence for Responsible Business Conduct

Account reporting year 2022

for Pierre Robert Group AS



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

SUSTAINABLE DEVELOPMENT GOALS



To Readers Of The Report

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

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

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

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

Heidi Furustøl

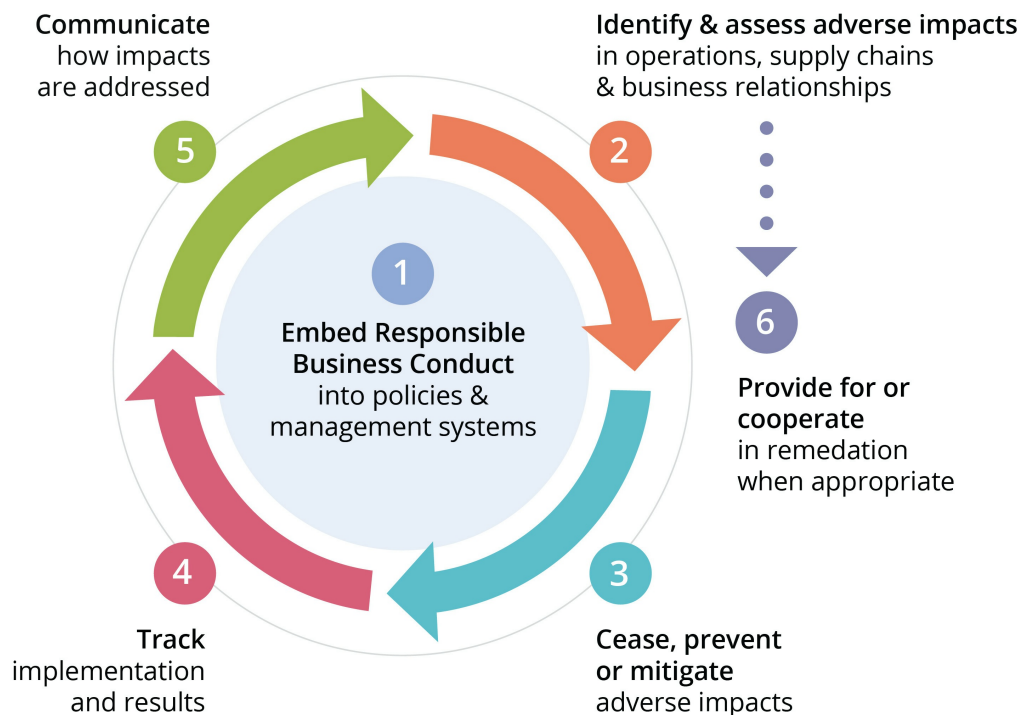
Executive Director

Ethical Trade Norway

Due diligence

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

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



Preface From CEO

As we put COVID 19 in the rearview mirror, new challenges are just up the road. The Russian war against Ukraine has caused immense human suffering and has created a range of serious ripple effects including supply issues across the globe. This has been intensified by the still ongoing pandemic in China. Add climate change, threats to democracy and a looming global recession, and we find ourselves with all the ingredients needed for a perfect storm. As consumers become increasingly nervous about the economy, their attention is turning inward and interest for sustainability and ethical trade will suffer. For businesses, navigating the world of human rights and environmental impact will be increasingly difficult to prioritize, but never more important. In difficult times it is the most vulnerable who face the highest risks. If we let our attention to ethical business practices dwindle, we will quickly backslide – for as the saying goes, when the cat's away, the mice will play. Throughout 2023, our aim is to work toward our sustainability goals with a business-as-usual attitude. We can't afford to let short-term gains come at the cost of our long-term goals. Rather, we will look for opportunities as consumers are forced into a more mindful consumption, seeking to come out stronger on the other side.



Tine Hammernes Leopold
CEO

Company information and business context

Key company information

Company name

Pierre Robert Group AS

Head office address

Drammensveien 149, Oslo

Main brands, products and services offered by the company

Pierre Robert group designs, produces and sells basic textiles such as socks, hosiery, underwear and sports garments under the brands Pierre Robert, La Mote, Black Horse, Norlyn and Finnwear.

Description of company structure

Pierre Robert Group AS (PRG) is a part of the Orkla Group. Our main distribution channel is grocery stores and supermarkets in Norway and Finland. We also have our own web shop, as well as distribution through selected e-tailers and sport retailers. Pierre Robert Group's head office is in Oslo, with additional sales and marketing departments in Helsinki, Finland. Our aspiration is to become "the Nordic favourite for sustainable comfort".

Our sustainable strategy & commitments are set for 2025. The annual report for 2022 describes the goals and actions done during 2022.

PRG's mission statement is "We commit to creating quality basics – made with care and beloved for their comfort and style."

We inspire people to wear better by advocating change in consumer habits, and by democratizing sustainability, making it possible for everyone to take part. We aim to:

- Use the more sustainable concept "KAPSEL" as a spearhead and overriding brand philosophy of lowered consumption
 - Speak up and develop communication that stands out
 - Continue to change raw materials & products to more sustainable options
 - Provide full transparency in our value chain
-

Turnover in reporting year (NOK)

563 000 000

Number of employees

144

Is the company covered by the Transparency Act?

Yes

Major changes to the company since last reporting period

563 MNOK is the turnover for 2022 for Pierre Robert Group AS Norge and Pierre Robert Oy Finland.

Contact person for the report (name and title)

Silje Bergholm, Head of Product Portfolio, Innovation and Sustainability

Email for contact person for the report

silje.bergholm@pierreroberb.no

Supply chain information

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

Design, development and sourcing for all PRG brands are handled by the PRG head office in Oslo. We have two additional Chinese sourcing representatives in Shanghai assisting the Oslo office in the following-up of suppliers on sourcing, quality in production and social- and working conditions. We communicate our code of conduct, run risk assessments, follow up and engage in improvement projects with our suppliers depending on needs and scope. As we do not own our own factories, it is extremely important to us to source from suppliers that prioritise good and safe working conditions and environmental responsibility. In addition, we find it necessary that they see the added value of certifying their facility to preferred production or product standards. We collaborate both with traders* and with factories directly. We see our suppliers as long-term business partners and have close collaboration and dialogue with them.

PRG sources cotton from China and India, wool from South Africa, recycled and virgin synthetic materials globally and Tencel from licencees in China. Larger part of our products are manufactured in China and Italy, but we also have some production in other European countries and South East Asia.

*Traders are local companies in close relation to the factories. Traders play an important role in developing and sourcing products in close collaboration with PRG and the factories.

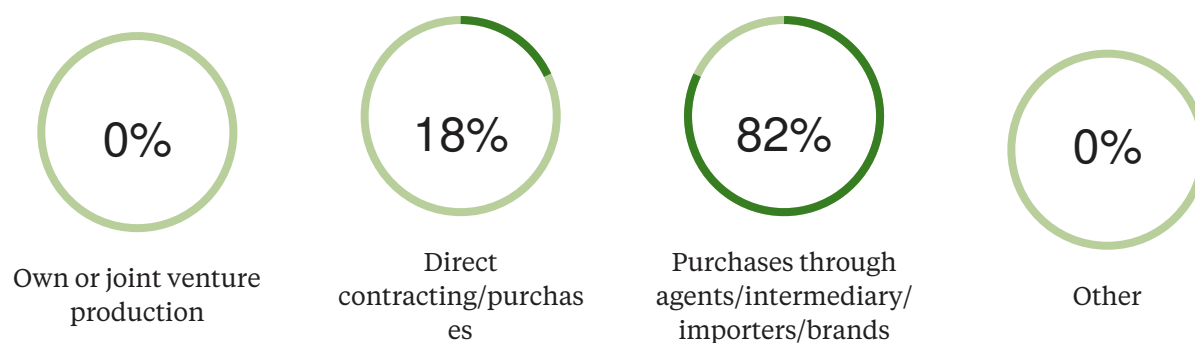
Number of suppliers with which the company had commercial relations in the reporting year

24

Comments

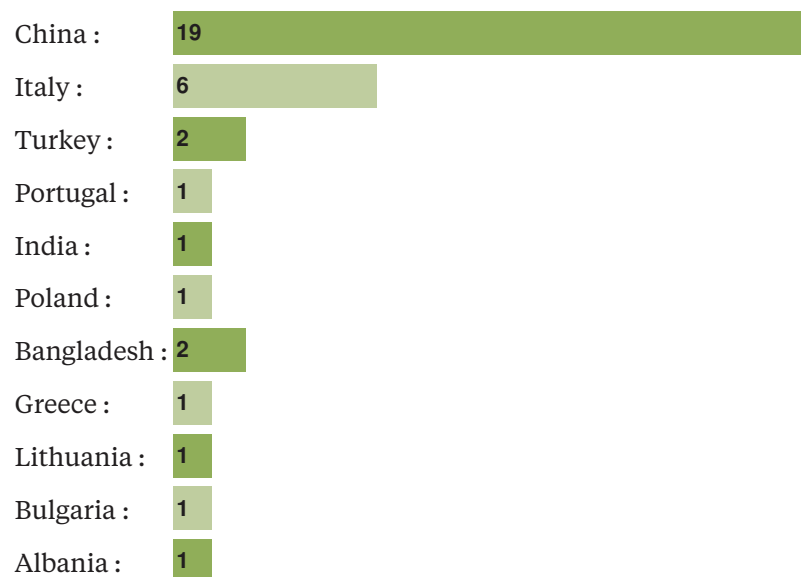
24 suppliers producing textiles/garments at totally 36 producers/factories.

Type of purchasing/ suppliers relationships



As Intermediary we collaborate with traders who are all local companies in close relation to the factories. The traders play an important role in developing, sourcing and assuring ethical and quality requirements of the production and products in close collaboration with PRG.

List of first tier suppliers* (producers) by country



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

Number of workers

7 176

Number of suppliers this overview is based on

24

Numbers of workers per supplier (calculated average)

299

Comments to number of workers

Number of workers are manually collected data from the 36 first tier factories handled by 24 suppliers.

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

Organic cotton / cotton	China India
Merino wool mulesing free	South Africa
Recycled and virgin polyamide and polyester, elastane, lycra	Global
Lyocell (Tencel) and Viscose (Modal) from Lenzing licencees	China

The list above displays the majority of raw materials used in our products.

Organic cotton is certified by the Global Organic Textile Standard (GOTS), or Organic Content Standard (OCS).

Recycled polyester and polyamide are mainly GRS certified from yarnmill or garment factory.

100% share of the merino wool sourced for our garments is product certified by the Nordic Swan Ecolabel (Svanemarket).

100% of PRG's merino wool is sourced from non-mulesing farms.

Is the company a supplier to the public sector?

Yes

Goals and progress

Process goals and progress for the reporting year

1

1. WE COMMIT TO A TRANSPARENT AND 100% TRACEABLE VALUE CHAIN.

Goal :

1.1 Continue working on traceability for products, fibres, and production conditions to stakeholders (with consumers in focus).

1.2 Continue to fully disclose information on who our suppliers are, to share information from our supply chain and promote transparency as a matter of course for the industry.

1.3 Adapt and act to the requirements and expectations in the recent passed Transparency Act (Åpenhetsloven) by expanding information online and equip consumer service team with the necessary knowledge and tools to handle incoming queries from stakeholders.

Status :

1.1 We continue to focus on certifications like GOTS and SWAN which gives us the possibility to trace the value chain. For 2022 100% of our wool garments are Swan labelled.

1.2 We continuously update and share our supplier lists on our website.

1.3 We have put in place a system for handling inquiries related to the Transparency Act, we have updated our website with information and have done trainings and information meetings with the whole organisation.

2

2. WE COMMIT TO RAISING THE TEXTILE INDUSTRY STANDARDS FOR SOCIAL AND WORKING CONDITIONS + SECURING WORKERS' RIGHTS

Goal :

2.1 Participate in the follow up dialogue forum with South African merino wool farms. The forum is a collaboration with ETN, Norad and other textile brands.

The aim of the forum: • Establish communication between wool/mohair farmers in South Africa, and the participating companies. • Advance the understanding of all parties on the influences and forces at play with which the parties have to contend to deliver the desired products to customers

• Identify, discuss and seek common approaches to major challenges facing the industry, including those associated with transitioning to a sustainable and equitable industry to the benefit of all involved and to the global community • Facilitate networking between the producers and the buying companies which could result in positive commercial agreements for all parties.

2.2 Participate in an industry project for Living wage in textile production. Goal is to understand better what we as brand can influence when it comes to workers' living wage and workers' rights.

2.3 Perform an internal evaluation of how we conduct our dialogue with suppliers about wages and living wage.

Status :

2.1 Due to internal reorganization we have seen the need to prioritize our resources and have because of this ended some of the initiatives we have prior been a part of. We have terminated our engagement in the South African merino wool project, the project is also put on hold.

2.2 As in point 2.1 we are not participating in the Living wage project.

2.3 As point 2.1 and 2.2 this internal dialogue has been put on hold.

3

3. WE COMMIT TO SECURING THAT 100% OF OUR PORTOLIO AND OPERATIONS HAVE MINIMAL NEGATIVE IMPACT

Goal :

3.1 Work to hinder over-consumption as a result of sales and discounts and encourage mindful shopping during Black Friday.

3.2 Achieve the target of 80% carry- over for our assortment within 2025. Aim is to reduce surplus and deadstock by improved demand planning and purchasing orders more adapted to frequent ordering. By keeping a high share of carry overs, we also reduce the number of samples, resources to make them and transport.

3.3 Work to reduce the number of returns from web shop customers and improve that a larger portion of returned goods are re-sold. This has both financial and environmental benefits.

3.4 Continue to minimize packaging and achieve plastic-free/recycled plastic packaging and operations.

3.5 Work for 100% portfolio consisting of more sustainable fibres and solutions for our products in PRG (choose recycled, organic, more environmentally friendly fibres, reduce microplastic etc when possible). Update our design guidelines to include circular design principles.

3.6 Reduce the Co2 emission from freight. We will perform an evaluation for our transport set up and emissions.

Status :

3.1 In line with our strategy to communicate less consumption we have continued to communicate buy less, be more.

3.2 We have reached our target of 80% carry over and 20% new and we have set a new goal for 2024 to have 90% carry over and 10% new.

Frequent ordering has been difficult in a year with extreme conditions; war, pandemic and transportation lead times and delays at an all-time high level.

3.3 We are continually improving the way that we present our collections online to make sure our returns are as low as possible. This ranges from detailed descriptions of the item, more pictures and thorough color corrections to make sure the consumer understands the product better before placing an order. We have an ongoing project to ensure that a higher number of returned goods are resold and/or reused. In 2022 we held meetings with a professor from the University in Lund, Sweden to learn more.

3.4 We have a packaging project set up to look at all packaging, both product packaging and transportation packaging, to minimize the use of materials and transportation of air. This project will be finalized within 2023.

Plastic pins have been removed from all our collections, and we have reduced amount of virgin plastic in our products to a minimum, removing it entirely from distribution packaging.

3.5 We have removed all synthetic materials from our wool and replaced it with either 100% wool or wool tencel mix. Our Kapsel collection for fall 2022 consisted for the first time of 100% swan marked wool.

3.6 2022 has been a demanding year when it comes to transportation. We are currently discussing more environmentally friendly transport options with with our freight forwarder, this dialogue will continue in 2023.

4

4. WE COMMIT TO A TOLERANT AND RESPECTFUL WORKING ENVIRONMENT WITH GOOD HES SYSTEMS

Goal :

4.1 Continue and assure that challenging sustainability goals are set for PRG in all employee evaluations ("my compass") process.

Status :

4.1 Goals are set for each employee depending on their position and responsibility and is followed up by immediate manager in the bi-annual follow-ups. The management team in PRG has sustainability as a corner stone in the PRG business platform.

5**Goal :**

5. WE COMMIT TO COMMUNICATING OUR OBJECTIVE ETHICALLY & TRANSPARENTLY INTERNALLY AND EXTERNALLY AND TO NOT GREENWASH

5.1 Continue to make sure that all employees should be knowledgeable about sustainability and our sustainability strategy, goals and achievements.

5.2 20% increase in Pierre Robert/PRG PR coverage over 2021 with 50% of PR coverage to include sustainability keywords. (2021 numbers = 128 press clippings with 43% related to sustainability)

5.3 Participate in Fashion Revolution and Tekstilaksjonen campaigns 2022

5.4 Continue to contribute to the public debate, highlight important issues and increase awareness in the society by having a visible voice in media and relevant networks. In addition, we strive to grow consumer awareness and interest in more socially and sustainably responsible models.

5.5 Expand the advertising space and commercial communications related to sustainability and increased consumer awareness.

Status :

5.1 We highlight and share results, articles, reports and other relevant sustainable business issues with all employees in PRG. All new employees receive training in sustainability as a part of their onboarding plan.

5.2 2023 update: 29% increase in total press clippings vs 2021. 36% included sustainability keyword. The decline in sustainability percentage is likely due to a shift in our own sustainability phrasing, as we focus more on a long-lasting capsule wardrobe, versatility and timelessness than the classic sustainability vocabulary.

5.3 We continue to be an active member of Tekstilaksjonen and have also supported Fashion Revolution. However, we have not been able to film and photograph at our suppliers facilities like we have done earlier, due to the pandemic situation in China.

5.4 Through our KAPSEL collection as well as in ad-hoc campaigns and communication, we encourage consumers to opt out of fast fashion trends and focus on building a smaller but more versatile wardrobe. We consistently urge consumers to look for clothing items they actually need and are able to use frequently and over a long time-period, with an end-goal of lowering consumption. We have also been successful in getting PR coverage about the need to lower our clothing consumption and opt for more sustainable ways to dress.

5.5 Though it is not always the main message - whenever relevant – information about the sustainability of a product is always included in advertising and product information

6**Goal :**

6. WE COMMIT TO MINIMISING THE ENVIRONMENTAL FOOTPRINT OF OUR PARTNERS (3-year goals 2020-2022 from baseline 2019)

6.1 Continue working towards reducing the environmental impact in our production supply chain by 50% (1st tier and 2nd tier...)

6.2 Continue working towards the goal of zero-waste supply chain.

6.3 Continue working towards goal of 80% eco-certification of suppliers (2019 there were 40%, 2020 there were 55%, 2021 there were 65%).

6.4 Explore further on how to trace the data and measure the impact.

6.5 Expand the range of products we will measure and display the Co2 and water impact.

6.1 We have not succeeded in finding a way to measure the impact in scope 3 as accurately as we had expected, the data we need is not available in a quality-assured way. On the other hand, we can make some assumptions. Since 2017, we have significantly increased our share of eco certified factories from 0-83%, reducing the impact from our production. In addition, we have completely transformed our portfolio since 2016, moving from zero sustainably conscious products in 2016 to 74% in 2021 and 77% in 2022. Although the accurate data is lacking, we are confident that this has reduced the impact of our production by a considerable amount.

6.2 Waste minimization is always a prioritised focus area for factory suppliers due the high cost of materials. By now, we have not found a way to measure waste in an effective way, but we are looking into ways to reduce waste through our entire value chain from design and samples to production. We have had and will have an increased focus on reducing the number of samples we ask for and work systematically to design for less waste.

6.3 Our share of eco certified factories is at 83% in 2022 up from 65% in 2021, 55% in 2020 and 40% in 2019. By eco certified factories we include ISO 14001, Swan Nordic Eco label, Step by Oeko-Tex, GOTS, OCS and GRS.

6.4 We have not found a way of measuring the impact and trace the data, this work will continue.

6.5 In 2022 we stopped measuring Co2 and water consumption on our products as a result of Norwegian Consumer Authority claim of it to be greenwashing. We have not any further plans to measure and display the Co2 as of now.

7

7. WECOMMIT TO PROMOTING POSITIVE BODY IMAGES, INCLUSIVITY, DIVERSITY AND TO INSPIRE TO A HEALTHY LIFESTYLE.

7.1 Continue our 100% Human policy in all advertising, POS and packaging, as well as through our influencer and ambassador collaborations.

7.1 We have significantly improved the diversity of models in our advertising, as well as on our packaging and POS material, incorporating a policy for PRG that we have called 100% human. Our goal is to accurately reflect society, and we strive to book models with differing ethnic and cultural backgrounds, different ages, sizes and people with disabilities. We always consider the diversity balance in campaign planning, and have several times turned to alternative casting solutions due to what we perceive as a lack of diversity in Norwegian modelling agencies. We also employ a no-retouching policy when it comes to body and face, meaning we will grade photos and adjust lighting, colour-tone etc., but not retouch human variations traditionally seen as “imperfections.”

Looking beyond our own choice of models, we also strive to support healthy role model influencers, and have specific requirements related to this in our brief to our PR agency. We do not wish to promote or support unhealthy body images or an over-consumption lifestyle through our influencer collaborations. We do want our influencer collaborations to be inclusive and inspiring.

In 2022 our packaging received an award at "Visuelt". Among other things, the jury stated that the use of "normal" women was liberating.

8

8. WE COMMIT TO MAKE IT EASY, ACCESSIBLE AND CONVENIENT FOR YOU TO MAKE MORE SUSTAINABLE CHOICES EVERY DAY

Goal :

- 8.1 Continue to improve our sustainability information at POS (Point of sale) and on packaging.
8.2 Continue to clearly communicate our sustainability strategy, goals, actions and achievements to all stakeholders.
8.3 Continue to communicate the importance of making wise and informed choices when purchasing new items of clothing, and to make the necessary information to do so easily available.

Status :

- 8.1 The messaging for POS and packaging needs to be concise and clear, and sustainability information is not always the priority. In such cases we try to look for alternatives to communicate the most important aspect, and this work is ongoing.
8.2 A better hub for sustainability information online is a priority for 2023.
8.3 This work is ongoing.

9

9. WE COMMIT TO PROMOTING A CIRCULAR LIFECYCLE FOR CLOTHES AND TO HELP YOU USE CLOTHING MORE SUSTAINABLY AND EXPLORE CIRCULAR BUSINESS MODELS

Goal :

- 9.1 Continue to communicate how to repair clothing and create a comprehensive online content hub for sustainability regarding clothing. Continue to encourage people to recycle exhausted textiles.
9.2 Continue the work for a national system for exhausted textiles' collecting and recycling by our membership in MoST. Openly lobby for better government policies for a circular textile economy and raise the voice to regulative and authorities to speed up the establishment of a national (and Nordic) system for collecting and recycling textiles.
9.3 Continue scaling up circularity business with a widespread industry collaboration together with NF&TA, MoST and Tekstilaksjonen.

Status :

- 9.1 A better hub for sustainability information online, including repair guides, is a priority for 2023. Though we continue to encourage the recycling of textiles, we have been forced to remove this from much of our messaging as the infrastructure to receive the textiles is not in place.
9.2 We have continued to ask for better policies both through our membership in NF&TA and stakeholder dialogue, but also via a petition on our website.
9.3 Through MoSt we are part of a project exploring circular textile possibilities.

10

10. Strategy period 2022 – 2024

Goal :

- 10.1 Sustainability is one of PRG's strategic pillars and our purpose is to "Empower people to wear better" and our ambition is to be The Nordic Champion for sustainable Key Garments. In the strategy for 2022-24 we prioritised five major projects we will work on to grow our position as a responsible and sustainable textile company. We will share the output of these activities in the annual report for 2022.

Status :

- 10.1 We have adjusted the strategic projects for 2023 and will focus more on portfolio management.
In 2023 we will work on the next strategic period, and set new and clear strategic projects for the coming years.

Goal for coming years

1

1. WE COMMIT TO A TRANSPARENT AND 100% TRACEABLE VALUE CHAIN.

- 1.1 Continue working on traceability for products, fibres, and production conditions to stakeholders (with consumers in focus).
- 1.2 Continue to fully disclose information on who our suppliers are, to share information from our supply chain and promote transparency as a matter of course for the industry.
- 1.3 Add country of origin and producer in product texts in our webshop.

2

2. WE COMMIT TO RAISING THE TEXTILE INDUSTRY STANDARDS FOR SOCIAL AND WORKING CONDITIONS + SECURING WORKERS' RIGHTS

- 2.1 Work with our traders to inform and educate, conduct a workshop to identify where we as a company can perform better to make sure we are contributing to raising the standards.
- 2.2 Do a complete risk mapping of all our products using ETNs Risk Mapping Tool.

3

3. WE COMMIT TO SECURING THAT 100% OF OUR PORTOLIO AND OPERATIONS HAVE MINIMAL NEGATIVE IMPACT

- 3.1 Reach goal of 90% carry overs in 2023. By reaching the goal we will reduce surplus and deadstock by improved demand planning and purchasing orders more adapted to frequent ordering. By keeping a high share of carry overs, we also reduce the number of samples, resources to make them and transport.
- 3.2 Create awareness in the organisation about reducing the number of samples asked for. Continue to use videocalls to reduce amount of samples sent unnecessarily. Reduce amount of development samples sent by 50% by using videocalls instead.
- 3.3 Achieve 100% virgin plastic-free packaging and operations by 2024 by taking away plastic or replace with recycled plastic.
- 3.4 Work for 100% portfolio consisting of more sustainable fibres and solutions for our products in PRG (choose recycled, organic, more environmentally friendly fibers, reduce microplastic etc when possible).

4

4. WE COMMIT TO A TOLERANT AND RESPECTFUL WORKING ENVIRONMENT WITH GOOD HES SYSTEMS

- 4.1 Assure that challenging sustainability goals are set for PRG in in employee evaluation processes.

5

5. WE COMMIT TO COMMUNICATING OUR OBJECTIVE ETHICALLY & TRANSPARENTLY INTERNALLY AND EXTERNALLY AND TO NOT GREENWASH

- 5.1 Continue to make sure that all employees are knowledgeable about sustainability and our sustainability strategy, goals and achievements.
- 5.2 Continue to contribute to the public debate, highlight important issues and increase awareness in society by having a visible voice in media and relevant networks. In addition, we strive to grow consumer awareness and interest in more socially and sustainably responsible models.

6

6. WE COMMIT TO MINIMISING THE ENVIRONMENTAL FOOTPRINT OF OUR PARTNERS

6.1 Continue working towards reducing the environmental impact in our production supply chain.

6.2 Continue working towards the goal of a zero-waste supply chain.

6.3 Further explore how to trace data and measure impact.

6.4 Explore how we can transport less air in supply chain.

7

7. WE COMMIT TO PROMTING A POSITIVE BODY IMAGE, INCLUSIVITY, DIVERSITY, AND A HEALTHY LIFESTYLE

7.1 Continue our 100% Human policy in all advertising, POS and packaging, as well as through our influencer and ambassador collaborations.

8

8. WE COMMIT TO MAKE IT EASY, ACCESSIBLE AND CONVENIENT FOR YOU TO MAKE MORE SUSTAINABLE CHOICES EVERY DAY

8.1 Continue to improve our sustainability information at POS (Point of sale) and on packaging.

8.2 Continue to clearly communicate our sustainability strategy, goals, actions and achievements to all stakeholders.

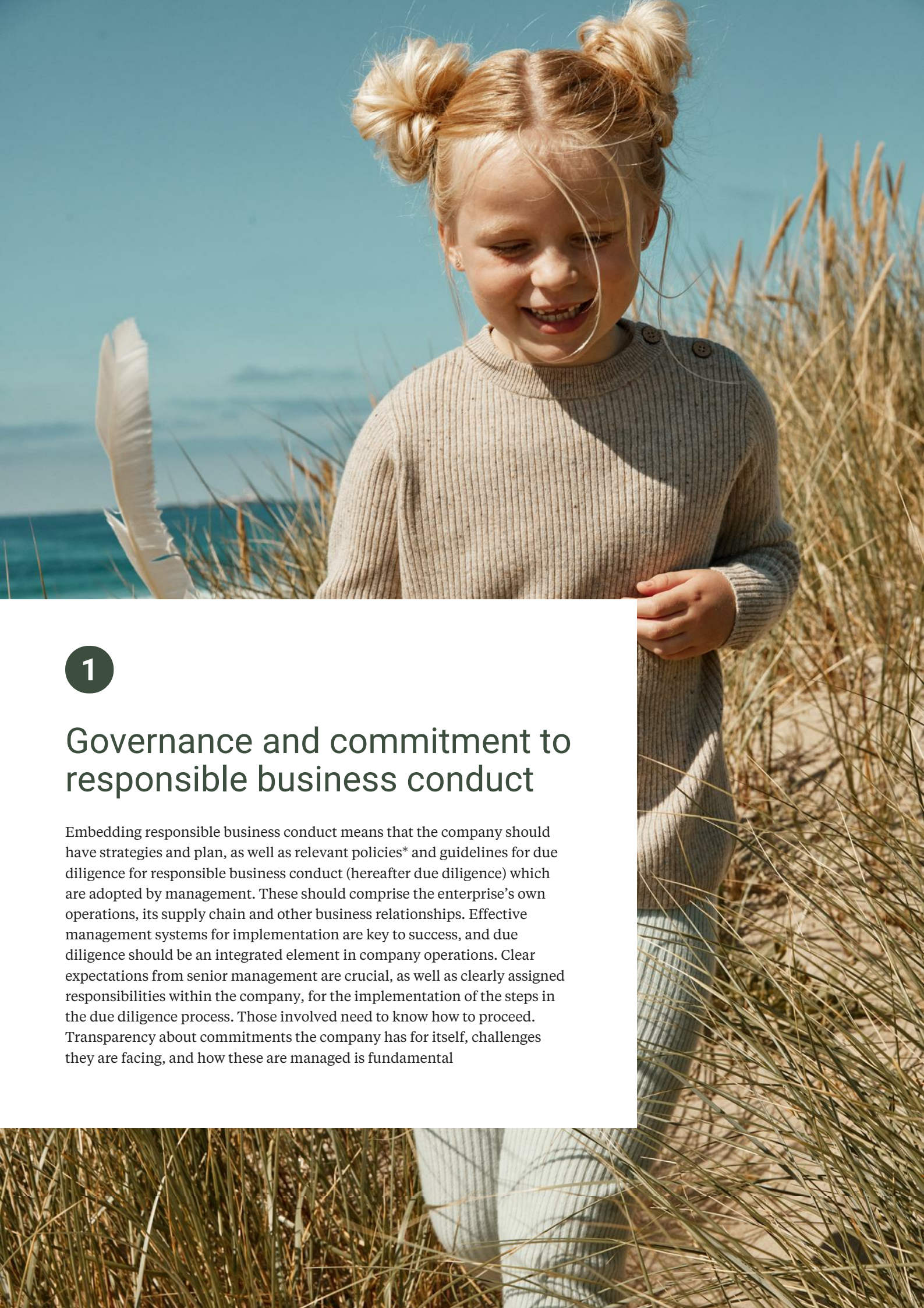
8.3 Continue to communicate the importance of making wise and informed choices when purchasing new items of clothing, and to make the necessary information to do so easily available.

9

9. WE COMMIT TO THE EXPLORATION OF CIRCULAR BUSINESS MODELS, AND TO ENCOURAGE CIRCULAR CLOTHING CONSUMPTION

9.1 Continue to communicate how to repair clothing. Continue to encourage people to recycle exhausted textiles.

9.2 Continue to work for a national system for textile collection and recycling through our membership in NF&TA. Openly lobby for better government policies for a circular textile economy and raise the voice to regulative and authorities to speed up the establishment of a national (and Nordic) system for collecting and recycling textiles.



1

Governance and commitment to responsible business conduct

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

1.A Policy* for own business

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

<https://www.orkla.no/samfunnsansvar-i-orkla/>

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

Pierre Robert Group acknowledges that our business conduct can potentially have negative impact on people, society, and the environment. At the same time, we see the potential to contribute to positive development in the supply chain. With this in mind, we have compiled the following principles and criteria guiding our own business: Due diligence Pierre Robert Group shall conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society, and the environment and to stop, prevent and reduce such impact. The measures put in place are monitored and their effect evaluated. The measures are communicated to those affected by our actions. If our activities are found to cause or contribute to negative impact on people, society or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing remedy.

Pierre Robert Group considers responsible purchasing practices to be one of our most important tools for responsible business conduct. Pierre Robert Group shall adapt our purchasing practices to strengthen, and not undermine, our suppliers' ability to deliver on our requirements related to people, society, and the environment. We strive towards lasting supplier relationships with suppliers who show a particular willingness and ability to create positive developments in the supply chain.

Pierre Robert Group supports the right to freedom of association and other forms of democratically elected worker representation. We shall involve worker representatives and other relevant stakeholders in our work with responsible business conduct. Supplier development and partnership In dialogue with suppliers we will consider, if needed, to contribute with capacity building or resources that enable our suppliers to comply with Pierre Robert Group's requirements related to responsible business conduct. This way we lay the foundation for collaboration with suppliers that show the willingness and ability to work on positive development for people, society, and the environment in the supply chain.

Pierre Robert Group, including all employees, shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their own interest or in the interest of customers, agents, or suppliers.

Countries affected by trade boycott Pierre Robert Group including all our suppliers and partners, shall avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

Link to Policies and documents for own business:

<https://www.orkla.no/samfunnsansvar-i-orkla/>

<https://www.orkla.no/etiske-retningslinjer/>

<https://www.orkla.no/wp-content/uploads/sites/2/2022/03/Orkla-Human-and-Labour-Rights-Policy.pdf>

<https://www.orkla.no/dyrevelferd/>

<https://www.orkla.no/antikorrupsjon/>

<https://www.orkla.no/wp-content/uploads/sites/2/2022/03/Orkla-Supplier-Code-of-Conduct-1.pdf>

<https://www.orkla.no/wp-content/uploads/sites/2/2022/03/Orkla-EHS-Policy.pdf>

<https://www.orkla.no/our-sustainability-goals-towards-2025/>

https://www.pierrerober.no/no_NO/lp/slik-jobber-vi-med-leverandorer/Responsible_sourcing.html

https://www.pierrerober.no/no_NO/aapenhet/1-22-Transparency+law+Norway.html

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

Ethical trade and corporate social responsibility are important and high-priority areas of Orkla, and demands and expectations are set for each company to have implemented ethical trade and sustainability in their business processes. Orkla has a pronounced sustainability strategy that provides guidance to the companies, including PRG. The board of PRG is well informed about the work on ethical trade and supports ethical trade as a fundamental part of the business platform for PRG. PRG has set clear targets for sustainability work towards 2024, and in 2023 we will set the targets for the new strategy period.

The overall policy for sustainable business is developed by Orkla and anchored with all business units. The policy for sustainable sourcing and operations is anchored with the board, management group and all employees.

Our goal is to be "The Nordic Favorite for Sustainable Comfort" and the sustainability strategy up to 2025 is based on our main commitment, "We commit to promoting a sustainable textile industry."

There are several goals and obligations in this:

#We Commit to playing fair and by the book:

#We commit to a transparent and 100% traceable value chain

#We commit to communicating our objectives ethically & transparently, and to not greenwash

#We commit to securing that 100% of our portfolio and operations have minimal negative impact

#We commit to holding our partners to the same ethical standards as we do ourselves:

#We commit to raising the industry standard for social and working conditions and securing workers rights

#We commit to minimizing the environmental footprint of our suppliers

#We commit to promoting best practice for animal welfare

#We commit to always provide you with a more sustainable choice:

#We commit to making it easy and convenient for you to make more sustainable choices every day

#We commit to promoting a circular life cycle for our clothes, and help you use clothing more sustainably

#We commit to encouraging a healthy and active lifestyle through our products, advertising and use of role models

Based on these commitments, we have set specific goals that are linked to activities in the short and long term from 2022-2023/4. The work is part of our business strategy and is anchored throughout the company.

1.B Organisation and internal communication

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

Responsibilities for responsible business practice in PRG:

-CEO, Tine Hammernes Leopold

-- Business Development Director, Atle Bjerkli

--- Head of Product Portfolio, Innovation and Sustainability, Silje Bergholm

Links:

https://www.pierreroberth.no/no_NO/vaart-univers-vaart-baerekraftsarbeid

https://www.pierreroberth.no/no_NO/aapenhet/1-22-Transparency+law+Norway.html

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

All decision makers in PRG have sustainability as part of the framework for decision making, all based in our sustainability commitments. Ethical trade and sustainability topics are regularly on the agenda for internal meetings for all employees.

CEO and management have sustainability, diversity and inclusion as elements in their bonus agreements.

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

All new employees get an introduction to sustainability in PRG, and the topic is frequently on the agenda in internal meetings. All employees are also given regular updates and news on the companies' sustainability work. It is compulsory for all new product managers at PRG to attend training on ETN's basic and advanced courses in ethical trade. Practical training and follow-up of new product managers are carried out.

All product managers have an active role in securing ethical trade towards suppliers and products, and attend various seminars and network meetings related to ethical trade. The product department is also an internal driver for training and raising awareness in other departments in order to better safeguard and support the work done in ethical trade.

1.C. Plans and resources

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

Ethical trade and corporate social responsibility are important and high-priority areas of Orkla, and demands and expectations are set for each company to have implemented ethical trade and sustainability in their business processes. Orkla has a sustainability strategy that provides guidance to the companies, including PRG. The board of PRG is well informed about the work on ethical trade and supports ethical trade as a fundamental part of the business platform for PRG.

PRG has set clear targets for sustainability work towards 2024, and specific measures have been defined for the next 2 years. The commitments are anchored with the management team.

Link to website:

https://www.pierrobert.no/no_NO/vaart-univers-vaart-baerekraftsarbeid

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

Updates are given to the management team and board through regular meetings and business reviews. Typical topics are:

- status and priorities on sustainability projects, actions, collaborations etc.
 - communication plans for sustainable products and sustainability work in PRG.
 - strategy and plans for our future sustainability work and anchoring of decisions and priorities.
-

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

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

Pierre Robert Group strives towards responsible business conduct that respects people, society and the environment. To achieve responsible business conduct we wish to work in close partnership with our suppliers and business partners.

Pierre Robert Group considers collaboration to be a prerequisite for responsible business conduct, and key to the achievement of the UN Sustainable Development Goals.

Our suppliers and partners can expect from Pierre Robert Group that our purchasing practices strengthen, and do not undermine their opportunity to deliver on our requirements related to people, society and the environment. Pierre Robert Group always seeks collaboration in order to achieve responsible business conduct. However, we will end business relationships or other forms of collaboration if our supplier or partner does not meet our expectations for responsible business conduct.

We communicate in written form and in meetings with the suppliers that we emphasize the importance of responsible business conduct as part of the collaboration with PRG. We collect and evaluate social and environmental information from the factory as a part of the sourcing process. All suppliers must sign and accept our Code of Conduct before orders are placed.

Feedback to the factories is provided in the form of written feedback, through supplier meetings, our own factory visits and continuous dialogue with the suppliers on areas of improvement and follow-up improvement measures from audits and our own visits.

All suppliers are requested to communicate our CoC to their suppliers. This is emphasized in the further dialogue with the supplier, and is reinforced by the fact that selected sub-suppliers are asked to fill in SAQ and / or are visited by us. This is the standard follow-up routine for all new suppliers and existing big or strategic suppliers.

We expect our suppliers and partners to work focused and systematically to comply with our Guidelines for Suppliers, hereunder our Code of Conduct, that covers fundamental requirements on human rights, labour rights, anti-corruption, animal welfare and the environment. Our suppliers shall:

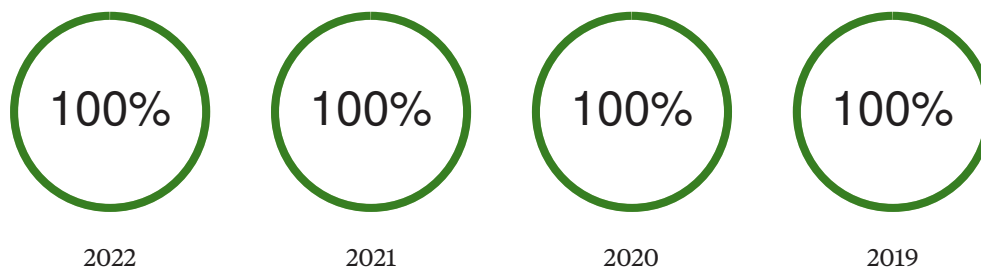
- Follow our guidelines for suppliers, hereunder the code of conduct.
- Conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impacts on people, society and the environment and to stop, prevent and reduce such impacts. The measures put in place must be monitored and their effect evaluated. The measures taken must be communicated to those affected by our actions. If the supplier is responsible for the negative impact/damage, they are responsible for providing remedies.
- Show willingness and ability to continuous improvement for people, society and the environment through collaboration.
- At the request of Pierre Robert be able to document how they, and potential subcontractors, work to comply with the guidelines.
- If the supplier, after several requests by Pierre Robert, does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled.
- Have a system in place to manage complaints related to human rights, labour rights, the environment and corruption.
- Avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

At the request of Pierre Robert Group, the supplier must be able to document how they, and any potential subcontractors, work to comply with the Guidelines for Suppliers. This may be done through follow-up meetings and/or mapping of conditions in the supply chain. Should Pierre Robert Group request an assessment of subcontractors' compliance with the Guidelines, the supplier is required to provide the name and contact details of subcontractors.

Link to our ethical guidelines: <https://www.orkla.no/baerekraftige-innkjop/>

Indicator

Share of suppliers which have signed and accepted ethical guidelines CoC.

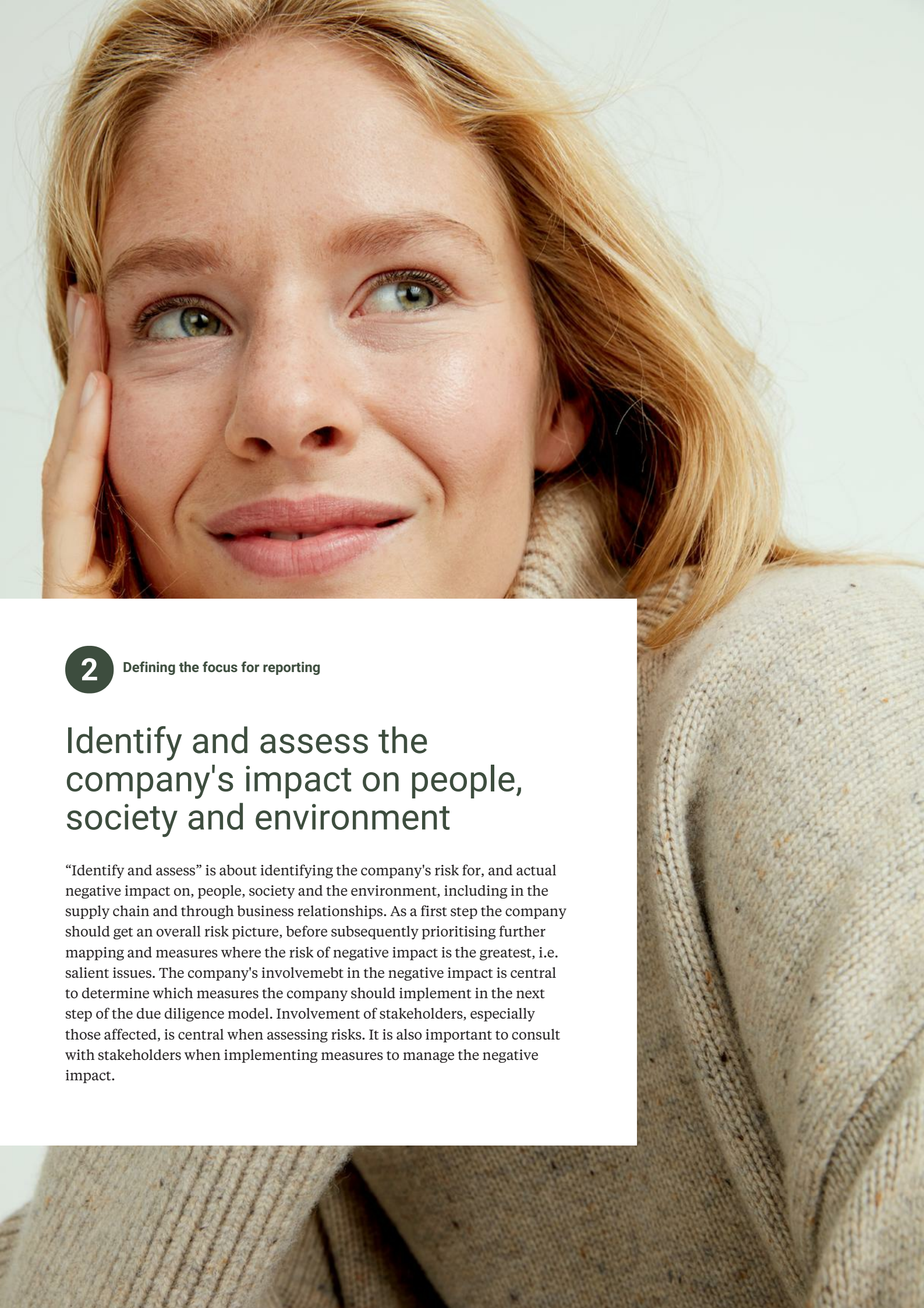


1.E Experiences and changes

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

The aftereffects of Covid19 were still making the industry more fragile and uncertain when it comes to workers rights, production capacity, raw material-, production, product and logistics prices. The war in Ukraine also gave unforeseen issues regarding available forms of transportation, prices and delays.

PRG's target is to do our best in the work for securing a stable and solid supply chain, be predictable to suppliers and work for a responsible and sustainable textile industry with our suppliers. Although we have been through a year where our margins were at stake, we have continued the partnership with our suppliers and proceeded with focus of being a transparent and trustworthy partner.



2

Defining the focus for reporting

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

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

2.A Mapping and prioritising

STATEMENT ON SALIENT ISSUES

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

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

Salient issue	Related topic	Geography
Extended use of overtime	Working hours	China
Extended use of energy from coal or oil sources and plastic from fossil sources.	Environment Greenhouse gas emission	Global
Water scarcity and water management	Environment Water	Bangladesh China India
Microplastic from textiles	Environment Water	Global
Textile waste and recycling	Environment Waste	Global
Wages in the textile industry is not up to living wage in many cases.	Wages	Bangladesh China India
Health and safety for workers at factories	Occupational Health and safety	Global
Freedom of association	Freedom of association and collective bargaining	Global
Climate change risk	Environment	Global

Pandemics like Covid-19	Discrimination Occupational Health and safety Working hours Regular employment Corruption	Global
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Several of the above salient issues are present at global scale and PRG are addressing these issues through the actions we do based on our commitments and UN development goals. Not all of the salient issues are possible for PRG to solve alone and these are challenges which need to be addressed through international collaborations, governments and industry players. The past few years with the Covid19 pandemic and now the war in Ukraine have a large impact on global supply chains and as we speak we still have delays and long lead-times in our supply chain. We have from the pandemic started in 2020 had close communication with the affected suppliers and assured that necessary measures are taken at the factories to protect the employees. Further we have had good dialogue with the suppliers on production planning and logistics to keep the supply chain as intact as possible. This will be even more crucial in 2023 as some suppliers may have increased their capacity due to higher demand during last year's transportation challenges, and are now facing a situation where the consumer and customer demand may be slowing down due to inflation and the financial situation in the world.

DETERMINATION OF SALIENT ISSUES

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

PRG is mapping the textile industry's salient issues through various reports and information we get from independent sources, stakeholders and organisations. It is a continuous and dynamic process to evaluate the inherent risk of the industry and factors like country or region, raw material and production processes are important factors to consider. The salient issues described above are the risks PRG sees as the most pressing issues in the textile industry in recent years. PRGs actions to reduce the impact of salient issues are taken through our goals and commitments up to 2025. These are presented under coming year's goals earlier in the report. PRG will work to adapt to these salient issues as we move on, and we will have to prioritise necessary actions as far as possible.

An updated due diligence/risk assessment on salient issues for all products will be ready spring 2023.

Here follows a short description of how risk evaluation during sourcing process is done in PRG:

When sourcing for new suppliers there is a set of minimum criteria the suppliers must meet in addition to how they perform in a risk assessment. To identify risk for both new and existing suppliers, we have implemented a method in the procurement process that consists of a mapping and evaluation that includes a three-step process.

1. An initial risk assessment is made based on parameters such as:

- Country of origin
- Inherent risk in the product
- Environmental impact
- Supplier's and management's awareness and attitude towards ethical trade, CoC, sustainability and the environment
- The total value and total volume of the product / order
- Duration of the business relationship between PRG and the supplier
- Previous social audits and PRG representatives' visits at the factory

2. A total risk assessment is then performed based on the weighted parameters mentioned, as well as other

criteria related to the product's standard and quality, production capacity and production quality control, price, etc.

3. To systematize the risk assessment, an Orkla Responsible Sourcing risk matrix has been established in which the forementioned parameters are graded and evaluated. In addition, PRG's internal checklists, SEDEX or BSCI systems are used for SAQ, verification of relevant certificates, meetings and / or own visits with the supplier.

4. The product team does regular follow ups on producing factories and CSR is always part of the agenda at supplier visits or meetings.

Sources of information we use for mapping risk per country / sector:

Ethical trade Norway's risk assessment tool

Sustainable Sourcing Map (risk analysis published by MCL Global)

Maplecroft risk index

Country reports on Human rights practices

Country Information ILO.org

The Ministry of Foreign Affairs' country notes on community response

Business and Human rights

Transparency international - corruption index

Information and resources from Ethical trade Norway

Other publicly available information and own / others' experiences

Reports from Amnesty International and other public reports within textile industry challenges like RISE: mistra future fashion, McKinsey and other

Tekstilaksjonen, MOST. NF&TA

Local representatives in the respective countries

3rd party social audits at the suppliers

ADDITIONAL SEVERE IMPACTS

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

We believe that the fashion industry's current focus on fast-changing trends, and encouragement of and dependence on over-consumption, is a major issue that needs to be addressed. Due to this, we encourage people to consume less by buying less and choosing quality over quantity, choosing timeless, long-lasting pieces over short-lived trend pieces, shopping second-hand when possible, educating themselves about material qualities and production, and to even consider switching to a capsule wardrobe.

It may seem contradictory for a clothing brand to ask consumers to buy less clothes, but we believe that this is a necessary step to change the way we as a society make and use clothing. On our part, we have narrowed our focus to quality materials, finding the perfect fit, and designing for versatility and timelessness. We want our basics to be versatile enough to be used with all clothes, in many combinations, again and again – no matter season or context. We also focus on producing clothing that is hard to or cannot be bought second-hand.

As a concrete step to move away from over-consumption and production we have achieved our goal of 80% running carry-over items and are now working towards achieving 90% carry overs items. This will reduce complexity throughout the value chain, reduce stockpile issues related to dated items, and towards the consumer – place less emphasis on short-lived fast fashion trends. We believe that this will also help our suppliers plan ahead and reduce the amount of overtime and wastage from production. Less samples will have to be developed and shipped by air, reducing unnecessary pollution.

We will continue to communicate our timelines towards our suppliers and expand frequent ordering for more products.



3

Management of salient issues

Cease, prevent or mitigate negative impacts

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

3. A Cease, prevent or mitigate

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

Salient issue	Extended use of overtime
Goal :	Reduce the use of extensive overtime hours.
Status :	Addressing the issue with the relevant suppliers.
Goals in reporting year :	Addressing the issue and find root cause for use of extensive overtime and find workable solutions.

Completed measures and reasoning :

Communicating with suppliers to find root causes and agree on measures to reduce the overtime. Raising awareness internally and with suppliers. Assuring that PRG's purchasing practices and timeline, from product development to order, is communicated and anchored with the factory and makes the process for all parties involved smoother and more predictable. Conscious of overtime challenges, we have tried in our small way to mitigate the effects of the pandemic by engaging in longer-term order planning and frequent and regular order placement. A steady stream of orders, rather than one to two large bulk orders per season, gives more predictability for suppliers and a more even production flow. In addition, we hope that this will lead to fewer sold-out situations, which will then result in increased volumes. Planning for longer transport time also forces us to place earlier orders, which again alleviates time pressure on suppliers.

Goals and activities for the coming reporting year :

Collections should consist of 90% carry over products in 2023. By having more carry overs, the factories will have better control over production lead time and can plan better as to producing completely new products that have not been through a production line.

Salient issue	Extended use of energy from coal or oil sources and plastic from fossil sources.
Goal :	To minimise the use of energy and reduce the energy sources from coal or oil. Reduce the need for oil as resource for plastic bags and textile fibres. Become plastic free in packaging. When plastic is not possible to replace and is necessary to use, it must be from recycled plastic or plastic from renewable or other sustainable materials.
Status :	Addressing the issue with the suppliers. We have mapped the type of energy used at Italian factories. Replaced virgin plastic with recycled plastic for most of the D-pack polybags + web shop polybags and replaced plastic packaging and plastic hooks with FSC paper packaging for most of our collections. As PRG is part of MOST and Tekstilaksjonen we have developed common KPI's for measuring the impact of textile production.
Goals in reporting year :	To continue mapping the type of energy used at selected suppliers, see how they measure it and understand how to measure and report it. Reduce use of plastic wherever possible and replace the remaining plastic with recycled paper or recycled plastic.

Completed measures and reasoning :

Mapping and finding methods for measuring the energy-use in the supply chain and consider making it part of the criteria for choosing suppliers. Explore more on this large topic and build knowledge and understanding internally.

Goals and activities for the coming reporting year :

Avoid virgin plastic in all packaging. Goal of 100% virgin plastic free by 2024.

Salient issue	Water scarcity and water management
Goal :	Reduce the use of water in our supply chain
Status :	Implemented eco certifications in the supply chain which have requirements for limiting use of water and requirements for restricted use of chemicals in wet processes in production, like GOTS and Swan label. Using recycled synthetic fibre in products reduces the water consumption in production of the fibre.
Goals in reporting year :	To take steps to reduce the use of water through eco certifications for production and choosing fibers which require less use of water in the production processes.

Completed measures and reasoning :

Addressing the issue to suppliers and going forward to implement it to be part of the criteria for choosing suppliers. Focus on choosing fibers, materials, production methods and facilities which contribute to limit the water usage and climate impact. Using recycled synthetic fiber reduces the use of energy, water and chemicals vs using virgin synthetic fiber. In addition, we use materials which already exist and then depend less on extraction of oil as a raw material for textile fiber production.

Goals and activities for the coming reporting year :

Source 100% more sustainable cotton by 2024 (all cotton should be sourced from more sustainable resources that promote water stewardship)

Salient issue	Microplastic from textiles
Goal :	Minimize microplastic pollution from garments being washed at home.
Status :	Removed polyester from all wool garments across portfolios. Continue selling Guppy Friend bag in our web shop as a means for consumers to reduce the release of microplastic from home laundry. Removed plastic pins from products.
Goals in reporting year :	See more info here for relevant projects: https://www.sintef.no/en/projects/microfibre-evaluating-the-fate-effects-and-mitigat/ and the Rise project: https://www.ri.se/en/what-we-do/projects/minshed

Completed measures and reasoning :

Further investigation and research is needed on an industry level and at the moment we follow the development in this area with stakeholders. We are positive to participating in relevant upcoming research.

Goals and activities for the coming reporting year :

Only use synthetic fibres where no other fibre is possible, such as in sportswear and microfibre underwear. Not introduce new items to the market where natural fibres are mixed with synthetic fibres.

Salient issue	Textile waste and recycling
Goal :	To minimise the textile waste from production, in the supply chain and from consumers.
Status :	Mapped majority of the factories waste handling system.
Goals in reporting year :	Continue to get an overview of waste handling systems at the factories. Design products with focus on minimising textile waste in production (ie when cutting textile fabric from design patterns).

Completed measures and reasoning :

Mapping suppliers' systems for sorting and recycling textile waste. Increase awareness among design and product development teams and revise our design guidelines to focus more on circularity.

Goals and activities for the coming reporting year :

Develop and implement design guideline with tools for designing products with focus on minimizing waste, using leftover stock and designing for circularity.

Implement CLO 3D design tool which means higher level of design accuracy, and less sample waste.

Implement a strategy of fewer compositions and colours across collections to reduce waste. Use only three material compositions for seven of our collections.

Salient issue	Wages in the textile industry is not up to living wage in many cases.
Goal :	Support initiatives in the industry and government to address the gap between (minimum) wage and living wage.
Status :	This is a complex challenge that we cannot solve alone. By addressing the issue we hope to raise awareness among suppliers, brands and consumers.
Goals in reporting year :	Include the topic in stakeholder dialogue. Keep the topic on the CSR agenda within the industry.

Completed measures and reasoning :

We are participating in a dialogue project with other brands in Norway to increase knowledge and explore how we can address this issue as a company and together within the industry. Continue dialogue with suppliers and stakeholders to discuss challenges and solutions. Follow and support industry initiatives to influence stakeholders and governing authorities who can contribute to take actions to reduce the gap between minimum wage and living wage.

Goals and activities for the coming reporting year :

Include the topic in stakeholder dialogue. Keep the topic on the CSR agenda within the industry and brands.

Salient issue	Health and safety for workers at factories
Goal :	Contribute to that health and safety is safeguarded for factory workers and ensure that health and safety is on the daily agenda at the factories we manufacture.
Status :	Followed up regularly through audits and supplier meetings to ensure that corrective action is taken if there are any deviations from audits or own visits.
Goals in reporting year :	Continue keeping the topic on the agenda with suppliers and factories and follow up after factory audits. Push and encourage the factories to focus on and raise the level of health and safety issues among employees.

Completed measures and reasoning :

Always keep as first priority to follow up H&S issues after social audits, and make sure the factory takes actions to improve and/or correct.

Goals and activities for the coming reporting year :

Continue keeping the topic on the agenda with suppliers and factories and follow up after factory audits. Push and encourage the factories to focus on and raise the level of health and safety issues among employees.

Salient issue	Freedom of association
Goal :	Support that workers are free to join labour associations and engage as worker representatives as they are entitled to.
Status :	Followed up through audits and in supplier meetings. Through the Quizrr training knowledge among factory employees have been increased on their rights.
Goals in reporting year :	Address the issue within the industry and with other textile brands through Ethical Trade Norway's organisation and initiatives.

Completed measures and reasoning :

Completed the Quizrr "rights and responsibilities" module training with 5 factories in China in 2021 and by that increased the knowledge among employees.

Goals and activities for the coming reporting year :

A large part of our business is through traders. In 2023 we will conduct workshops with our traders to explore how they can be our voice towards our factories and how they can create awareness among the factory workers.

Salient issue	Climate change risk
Goal :	The goal is to minimise the risk in our value chain and help prevent climate change by contributing to reducing the climate impact from production. 80% of the climate impact in a product comes from production processes so we have a large responsibility to reduce this.
Status :	Evaluate the risk for raw materials, especially natural fibres, which are affected more of climate change than manmade fibre.
Goals in reporting year :	Understand the risk of climate change and the implication it might have to our value chain.

Completed measures and reasoning :

Continue to increase knowledge of how climate risk should be mapped in our value chain. We will continue working with risk analysis on sustainability, environmental, social and ethical issues due to climate change scenarios.

Goals and activities for the coming reporting year :

100% of our cotton will be sourced more sustainably by 2024.
 Become a member of BCI to promote a better cotton industry.
 Investigate doing GOTS in conversion to support agricultural practices that are transitioning towards organic agriculture and to secure the supply of GOTS cotton.

Salient issue	Pandemics like Covid-19
Goal :	Be prepared and aware of similar scenarios in the future.
Status :	We are working on mapping our entire product range, this work will be ready in spring 2023.
Goals in reporting year :	Evaluate the effects of C19 in our value chain and use the experience to take necessary precautions for any similar situations if they should occur in the future. The goal is to minimise the risk for the employees and production in our supply chain.

Completed measures and reasoning :

Collect Information and evaluate the effects and impacts in our value chain.

Goals and activities for the coming reporting year :

The complete product range will be mapped by 2023.

OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

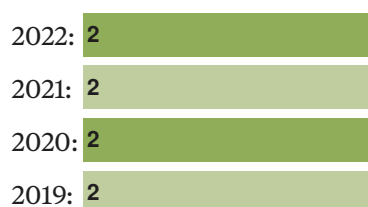
Describe the company's general measures to cease, prevent or mitigate negative impacts, including in the supply chain.

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

Reduce the use of energy, water and chemicals in our supply chain by implementing environmental certifications in the supply chain and dialogue with suppliers to address these issues. Increasing the share of eco certified products and factories. Using textile fibre with less environmental impact.

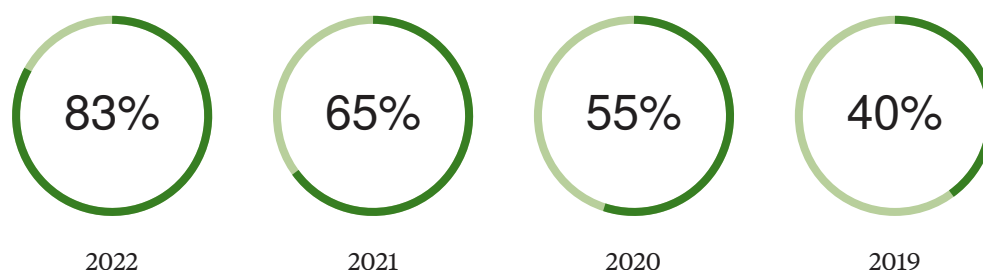
Indicator

Number of Nordic Swan Ecolabel certified factories



Both factories are located in China and producing merino wool garments.

Share of factories with eco or environmental certifications like ISO 14001, GOTS, Nordic Swan Ecolabel, OCS, GRS



Several of the factories have more than one certification.

3.B.2 Reduction of greenhouse gas emissions

Most of our emissions come from sourcing and production, our main efforts are linked to this. Larger part of our products are certified with eco labels as Nordic Swan Ecolabel and GOTS. The requirements of these certifications apply to all stages of textile production, including fiber production, spinning, knitting, dyeing and finishing. The certifications set strict requirements both to use and handling of chemicals in production and chemical residue in final products.

We are working on eliminating all unnecessary packaging and avoid transporting air. We are in dialogue with our freight forwarder regarding more environmentally friendly carriers. We work towards designing for circularity and promote care, repair and reuse towards our consumers.

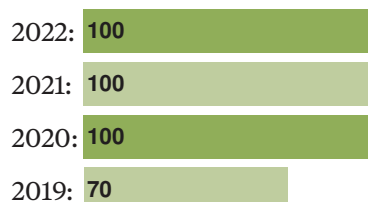
3.B.3 Adapting own purchasing practices (sourcing)

Pierre Robert Group considers responsible purchasing practices to be one of our most important tools for responsible business conduct. Pierre Robert Group use our purchasing practices to strengthen, and not undermine, our suppliers' ability to deliver on our requirements related to people, society, and the environment. We strive towards lasting supplier relationships with suppliers who show a particular willingness and ability to create positive developments in the supply chain, we look at our suppliers as partners. PRG has practised predictable purchasing practises over the past ten years. This means that we communicate our schedule and timeline for placing orders. The leadtimes are set in collaboration with our suppliers and are not pushed as a means of negotiaion when placing orders. Our collections consists of at least 80% carry overs which helps our suppliers in their production planning.

PRG have a high focus on not asking for unnecessary samples and in many cases pay for samples where needed, eg in case of small order quantities or expensive products.

Indicator

Converted from plastic consumer packaging to paper packaging for Pierre Robert products.



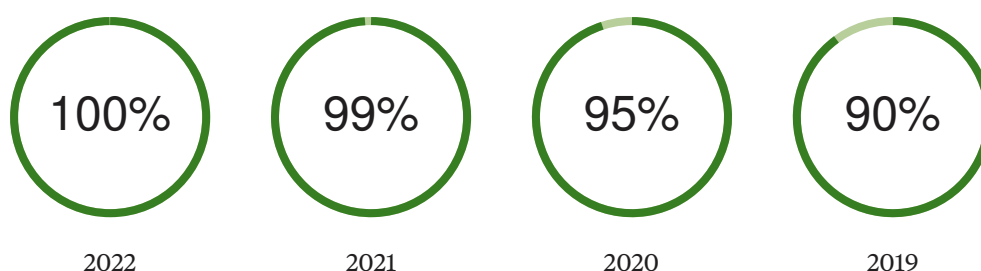
We are still dependent on plastic bags to a certain degree to protect goods during transport. We have by 2021 converted from virgin plastic to recycled plastic for this purpose in the majority of polybags.

3.B.4 Choice of products and certifications

Increase the share of products with sustainability/environmental certification. PRG's commitment is to have 100% portfolio and operations with a minimal negative impact within 2025.

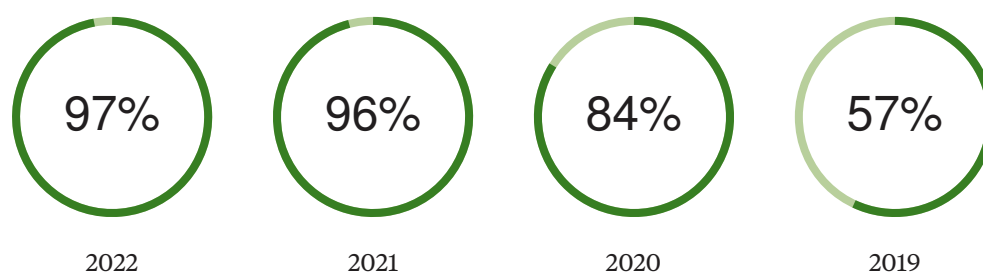
Indicator

Share of merino wool garments with Nordic Swan Ecolabel certification

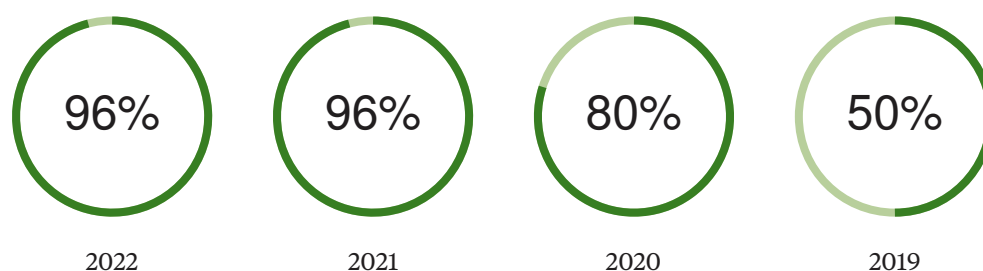


These numbers are based on garments and does not include socks or tights that contain wool.

Share of cotton products with certified organic cotton, GOTS or OCS certification



Share of packaging made from sustainable material FSC or FSC mix paper.



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

Pierre Robert Group supports the right to freedom of association and other forms of democratically elected worker representation. We shall involve worker representatives and other relevant stakeholders in our work with responsible business conduct.

Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. Workers' representatives shall not be discriminated and shall have access to carrying out their function of representation in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.

In 2023 we will conduct a workshop with our traders where this topic will be on the agenda.

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

PRG employees attend courses related to responsible business practices. In 2022 buyers attended seminars on responsible sourcing.

In 2023 we will conduct a workshop with our traders to raise awareness and development within our supply chain.

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

All PRG employees have received internal anti-corruption training in 2022, and key persons have received training from ETN.

As a part of Orkla we follow Orkla's anti-corruption manual, competition law manual, Responsible Employer and Human Rights Policy and Code of Conduct describe the Group's standards and guidelines relating to key integrity issues.

<https://www.orkla.com/anti-corruption/>

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

In 2023 we will update our supplier guidelines with a ban on sourcing cotton from Xinjiang.



4

Track implementation and results

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

4.A. Track and assess

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

Activities and performance with respect to our due diligence activities in the supply chain are tracked on a regular basis by the product team together with Head of Sustainability and our resources in the local office in Shanghai. Data and information on each factory related to human rights, workers' rights and environmental issues are collected and reviewed. In addition, certifications such as GOTS and the Nordic Swan Eco label have strict requirements and positive effects on working conditions and workers' rights.

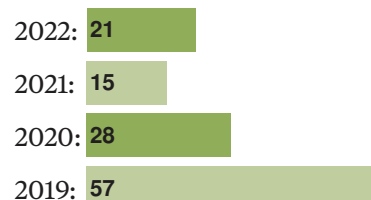
Suppliers are evaluated annually based on the most important criteria: CSR performance, quality assurance performance, sustainability performance, production and delivery performance, communication skills and environmental certifications.

PRG is in dialogue with suppliers and factories on how the production has an impact on people and the environment. This is always a topic in supplier meetings and visits with the suppliers and factories. Over the past three years there have been limited physical visits due to restrictions. Due to C19 follow ups have been based on social audit reports and audits through the certifications (GOTS, Swan eco label, GRS etc).

We encourage suppliers and factories to improve any areas related to these topics and we have, by introducing environmental certifications like the Nordic Swan Ecolabel and GOTS, improved and assured that production is set up to reduce the social and environmental impact. In social audits we encourage the factory to let the auditors perform interviews with the workers as part of the social audit.

Indicator

Number of suppliers monitored and assessed by own visits and third-party audits:



Note that in 2022 there were no physical visits to factories by the production department staff from Norway due to Covid19 travel restrictions.

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

Collect information and dialogue with suppliers and stakeholders.

Sourcing coordinator in Shanghai is in close dialogue with the suppliers and textile industry in Asia.

Supplier visits.

Social Audits by 3rd party auditors.

Audits on certifications like GOTS and Nordic Swan Ecolabel.

Use indicators to measure the effects of our efforts.



5

Communicate how negative impacts are addressed

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

5.A External communication

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

PRG is in dialogue with suppliers and factories on how production has an impact on people and the environment. This is always a topic in meetings and visits with the suppliers and factories. We encourage suppliers and factories to improve any areas related to these topics and we have, by introducing environmental certifications like the Nordic Swan Ecolabel and GOTS, improved and assured that production is set up to reduce the social and environmental impact. In social audits we encourage the factory to let the auditor perform interviews with the workers as part of the social audit.

We strive to be transparent with all stakeholders about our sustainability work, and aim to include important information on our website, POS, in social media, press contact and as of 2019 – also in our advertising. If an issue does arise, we will of course also use any means of direct contact to communicate with our stakeholders, and the form of messaging may differ – but because we have an openness policy, the content of our messaging will be the same, regardless of stakeholder.

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

We provide information about our sustainability strategy, focus areas, challenges, choice of materials, factories and more on our website. All the products in our web shop are clearly marked with detailed sustainability information such as eco-labels, and we include sustainability information on our packaging and in-store point of sale material. We also include sustainability in our marketing communication, including in paid advertising.

We are seeking to take a visible leading role within sustainability in the Norwegian fashion/textile industry and actively participate in networking events, seminars etc.

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

Everyone who contacts PRG with questions regarding the Transparency Act, production or supplier list gets a reply within two working days. We inform them that we will get in touch regarding their specific inquiry and that until then they can find information about Transparency Act on our website:

Åpenhetsloven | Pierre Robert Vårt bærekraftsarbeid (pierrerobert.no)

Our customer service has received training in how to answer questions regarding the Transparency Act, our consumers can contact us at below mail adress:

nettbutikk@pierrerobert.no and our customer service representatives will reply.



6

Provide for or cooperate to ensure remediation when appropriate

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

6.A Remediation

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

Pierre Robert Group shall conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society, and the environment and to stop, prevent and reduce such impact. The measures put in place are monitored and their effect evaluated. The measures are communicated to those affected by our actions. If our activities are found to cause or contribute to negative impact on people, society, or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing remedy.

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

PRG has not had or been involved in any cases of remediation in 2022.

6.B. Ensure access to grievance mechanisms

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

Orkla encourages reporting on breaches, or possible breaches, of the Orkla Code of Conduct. The Whistleblowing policy is established to provide the organisation with a procedure on how to report, investigate and resolve breaches, or suspicion of breaches, of the Orkla Code of Conduct, in a reliable, efficient, and confidential manner. The Whistleblowing policy is applicable for all Orkla group companies, as such Pierre Robert Group, and all leaders are responsible for making themselves acquaint with the content.

Orkla as an employer is responsible for handling whistleblowing cases in a safe and good manner for the reporting person, other implied individuals, and the business. Each company in the Group has a duty to inform about the possibility to blow the whistle, and to protect reporting persons against retaliation. A reporting person is protected against retaliation if (s)he had reasonable grounds for believing that the information provided was correct at the time of the notification and that such information was covered by the field of application, i.e., concerning breaches, or suspicion of breaches, of the Orkla Code of Conduct, in a work-related context.

The central whistleblowing channel is available through this URL: <https://report.whistleb.com/orkla>.

The central whistleblowing function in Orkla is administrated by the Internal Audit department in Orkla ASA, which reports functionally to the Orkla ASA Board of Directors' Audit Committee and is independent from the line organisation.

A "reporting person" could be any employees, consultants, trainees, work applicants, board members and shareholders actively working within the company and other people who are in corresponding work situations. Anyone in such a relation with Orkla has the right to report on malpractice in Orkla's business, either self-experienced or conditions one has become aware of.

It is not required to have evidence for one's suspicion. A reporting person can select the most appropriate reporting channel for the circumstances of his/her case, without losing the protection against retaliation; this includes reporting to national or EU authorities or to the media.

Whistleblowing can be done openly or anonymously. Open whistleblowing is encouraged as this makes it easier to handle the case in an efficient and expedient manner. The whistleblowing function has the duty of confidentiality on the reporting person's identity and any third party mentioned in the reporting, as far as possible to resolve the case in a reliable manner. Established follow-up procedures prevent unauthorized employees' access to reports.

Acknowledgment of receipt of a report will be given within no more than 7 days. Feedback on progress on the case management will be provided when relevant for the specific case and at the latest within 3 months of the acknowledgement of receipt.

All documentation related to a case will be treated according to applicable rules for personal data and information security. Reports will not be kept on record longer than necessary and proportionate in the specific case.

Whistleblowing should be made at the lowest possible level, depending on the nature of the case. It is recommended to report internally, in the following order:

1. Immediate supervisor
2. The supervisor's leader, or a leader on the next level in the organisation
3. Relevant internal department (HR, HSE, Finance, etc.)
4. Employee representative
5. Chief executive officer in the company where you are employed
6. Chief executive officer in the Group
7. Orkla's whistleblowing channel: <https://report.whistleb.com/orkla>, administered by Internal Audit in Orkla ASA.

If in doubt on who to report to, or response on a reported case is not properly provided, reporting should be made to the next level.

If one becomes aware of offences subject to "self-reporting duty" to local authorities, reporting should be made directly to Orkla's whistleblowing channel.

Group Internal Audit can be approached regarding advice on whistleblowing.

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