



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

# Account reporting year 2023

for Bergans Fritid AS



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





# SUSTAINABLE DEVELOPMENT GOALS



## To Readers Of The Report

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 (UNGPs) 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**

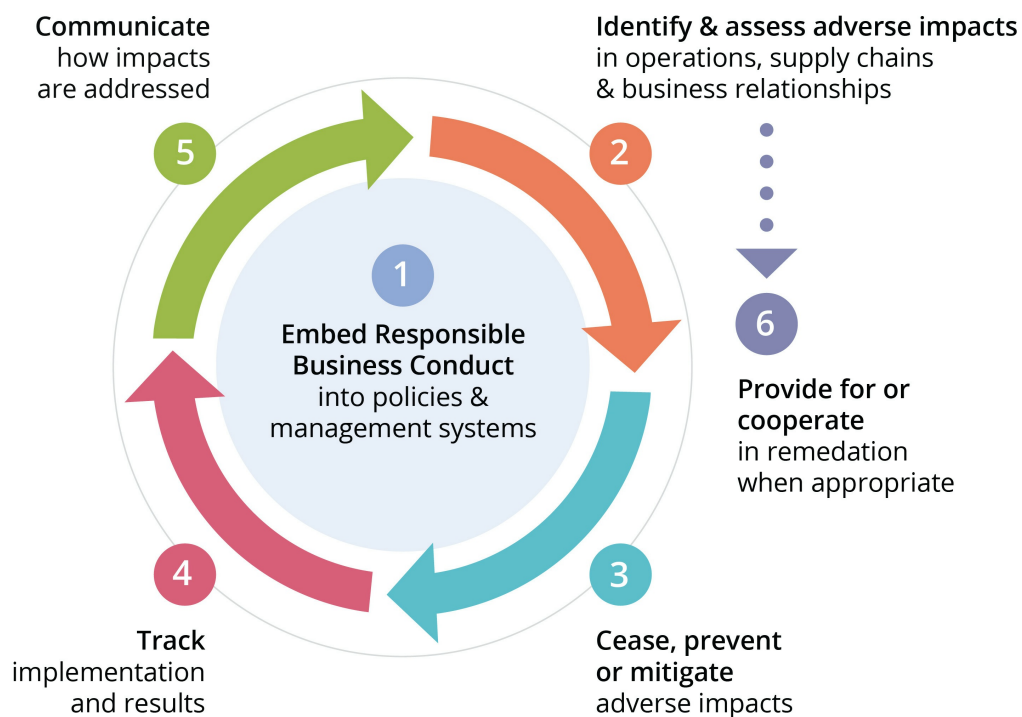
*Executive Director*

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

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

We believe that companies like us can play a unique role in the shift towards a more sustainable future: we can both positively influence our own value chains and at the same time enable consumers to make more sustainable choices in their everyday life. We are convinced that sustainable business practices are a prerequisite for doing business – and at the same time a central contributor to sustainable development.

As part of the global textile and outdoor industry, our business has an impact on nature, our climate, on people and on consumption. We know that we are part of the problem – and we therefore have a responsibility to be a part of the solution.

Carrying out due diligence assessments in textile supply chains is in many ways a challenging exercise. Our value chains are long and complex and involves many people in many countries, even some countries with conflict areas. As a member of Ethical Trade Norway, Bergans is committed to work actively with due diligence for sustainable business practices, respecting and safeguarding people, animals, society, and the environment throughout our supply chain. We benefit greatly from our ETN membership, with supportive tools, expert guidance, and valuable joint initiatives, such as the working group on living wage.

We have welcomed the Norwegian Transparency Act. We believe that openness and transparency in global value chains, as well as more collaboration, is key to push businesses towards more ethical trade practices and more sustainable operations. We are likewise positive to the coming developments in the EU on this field, both when it comes to sustainability reporting and communication. We have started to prepare for the CDDD and the CSRD, by implementing better digital systems for risk mapping and organization of our sustainability data. The same system will give input to our Digital Product Passports going forward, and we will have our first commercial product with a unique QR-code in 2024.

Guidance from and cooperation with Ethical Trade Norway has also been of utmost importance to us when it comes to the critical situation in Myanmar. We have two suppliers in the country, who we have a very close dialogue with. Our deepest concern is for the safety and well-being of the workers and their families, and our highest priority is for the people at our suppliers to keep having a job to go to and thereby a safe livelihood. We have joined EuroCham Myanmar, giving us a great network of European companies operating in the country and valuable information about the situation in the country. We also take part in the EU-funded MADE Myanmar program, which includes factory audits and training programs among other initiatives. We have continued our cooperation with other brands in our industry, and together with Ethical Trade Norway we have arranged meetings with different stakeholders; among them the EU Ambassador in Myanmar, the Director of Myanmar Centre for Responsible Business and lastly representatives of The Norwegian Foreign Ministry and the Norwegian Embassy in Yangon. A decision to stay or go is not one we take lightly. For now, the arguments from stakeholders who state that leaving will make lives worse for our (mostly female) workers, carries the heaviest weight. Therefore, Bergans has decided to stay, continuing our heightened due diligence work together with our suppliers and EuroCham.

Climate change is the biggest threat of our time. Bergans is a part of the Scandinavian climate network STICA. We map and report our climate emissions (scope 1,2 & 3) to STICA, and the network facilitates several working groups where we collaborate on climate actions. In 2023 we have for example initiated an energy efficiency program for our facilities in Vietnam, together with other textile brands. We buy renewable energy for our own operations. We have continued to increase our share of recycled materials, use less harmful dyeing techniques as well as collaborated sector wide on phasing out PFAS.

We continue moving our business model towards a more circular economy – with services like repair and rental, product return and second-hand sales as well as redesign. In 2023 we have continued to promote our Service Deal on our Rabot products, together with Sport 1. By this we aim to change consumer mindsets – by introducing



repair at point of sale we hope that more customers will be more aware of how they can prolong the life of their products. We have also carried out five second-hand events in our stores, with a great success. Regarding the Law on Second-hand sales ("Brukthandelsloven"), Bergans has submitted an official consultation letter to the Ministry of Industry and Trade, urging the government to abolish the law. We are closely following the developments of the legal frameworks in EUs Circular Economy Action Plan and sharing our insights to Norwegian decision makers through working groups in Virke.

Our products are our value carriers – enabling people to enjoy the outdoors and providing thousands of jobs. Comprehensive environmental and ethical standards in our supply chain in combination with high quality products and circular services are key factors for sustainable success. Even though 2023 has been a financially tough year for us and our industry, the sustainability work cannot rest. We are motivated to continue our sustainability efforts in 2024 – collaborating with our stakeholders, with other companies and with our partners in our supply chain.

**" We believe that companies like us can play a unique role in the shift towards a more sustainable future: we can both positively influence our own value chains and at the same time enable consumers to make more sustainable choices in their everyday life. "**

René Ågren  
*Chief Executive Officer*

# Enterprise information and enterprise context

## Key enterprise information

### Enterprise name

Bergans Fritid AS

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### Head office address

Hagaløkkveien 13, 1383 Asker, Norway

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

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

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### Description of enterprise structure

Our main office is situated in Asker, Norway and here most of Bergans departments work together: Product development & design, Purchase, Brand, Sustainability, Sales, Retail, E-commerce, Customer service, Administration, Accounting, IT, Bergans Adventures and our in-house Repair service. In our home market Norway we sell through retailers, but also operate 8 stores as well as our own e-commerce (B2C), which we also launched in Sweden (2020) and Germany (2021). In these two markets we also run three outlet stores. In our main markets we operate with our own sales representatives, while we only sell through agents/importers and retailers in all other markets. The central warehouse is located in Norderstedt in Germany, where also Sales and Marketing for the European market is located. We also have a sales office in Sweden. Two Bergans co-workers work from our office in Hong Kong to maintain direct contact with all our suppliers. All product design, development and purchasing is done from Norway.

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### Turnover in reporting year (NOK)

553 850 000

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### Number of employees

220

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

Yes

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### Major changes to the enterprise since last and current reporting period

No major organisational changes in 2023. Our CEO Jan Tore Jensen decided to leave Bergans after 18 years in the company. A new CEO will arrive in spring 2024. We closed down our Brand store in Ski.

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

Yngvill Ofstad, Sustainability Manager

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**Email for contact person for the report**

yngvill.ofstad@bergans.no

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## Supply chain information

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

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

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

115

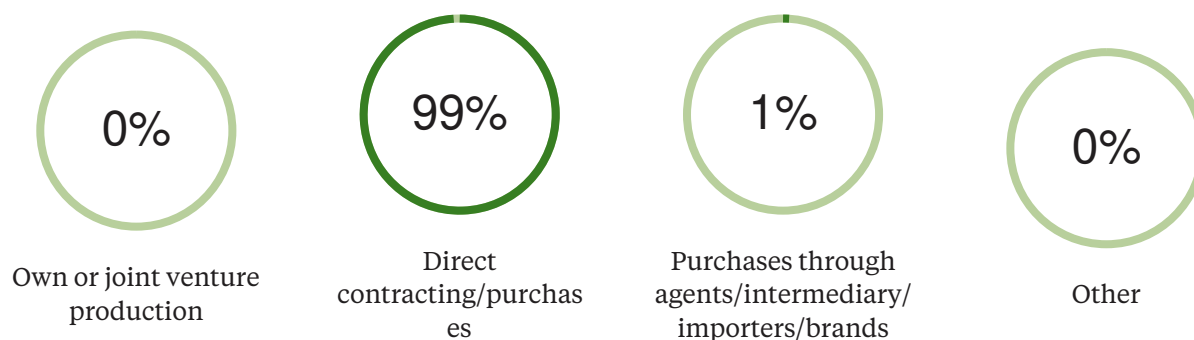
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### Comments

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

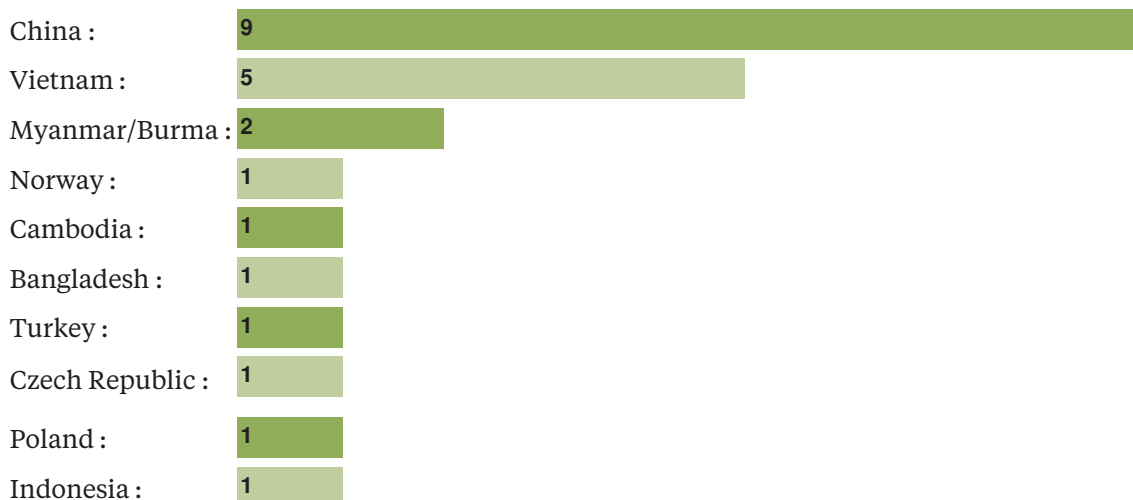
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### Type of purchasing/ suppliers relationships



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

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



Some of our suppliers use factories in different countries, therefore the total number of suppliers from this list (23) is higher than the number of manufacturers stated above.

The biggest share of our purchase volume (about 90 %) is produced at our main partners facilities in Vietnam (textile and hardware), China (textile products), and Myanmar (textile products).

**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**

20 000

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

20

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

1000

**Comments to number of workers**

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

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

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

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

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

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

Yes

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## Goals and progress

### Process goals and progress for the reporting year

1

#### **More Sustainable Products:**

- Design high quality products made to last. More efficient and resource efficient design & development processes.
- Design for repair: Secure repairability in our high-quality products, and improve communication on existing features
- Materials: continue securing certified materials and increase share of more sustainable fabrics and trimmings.
- Animal Welfare: implement new policy and strengthen internal routines on certification. Increase share of RWS-wool

#### **Goal:**

- Chemical management: continue the work towards phase-out of PFAS, testing substitutions in lab and field.
- Accelerate research on microfibers with TMC. Continue testing selected fabrics for shedding.
- Innovation: use of Spinnova fiber in in-line product (commercial)
- Improve internal routines regarding certifications (for Digital Product Passport, Start pilots on DPP and follow all upcoming regulations from the EU.
- Packaging: participate in Single-Use-Plastic project (EOG), communicate Handelens Miljøfond and reduce the use of plastic bags in the stores

#### **More Sustainable Products:**

- High quality is always a top priority for Bergans. In 2023 we launched our new Y Mountain line collection, after several years of development. This is a top quality collection, following the Y Light line collection from 2022. Our designers continuously work to implement design to repair features. For example, a selection of our skiing pants have been updated with an extra hem that is easy to replace after wear and tear.
- In 2023 we have worked with a new development strategy for our products, in order to use our resources more efficiently. We focus more on refining and fine-tuning existing styles, based on input from our suppliers, our repair room, our staff in store and our customers. In this way we improve our product quality and can reduce the need for new developments and new styles. We have implemented a new color strategy, where we reduce the number of seasonal colors. In this way the styles can last for many years, regardless of short-term trends, which also tend to fill up our stock in the warehouses. We have continued our use of 3D-design, reducing the need for samples. We sew up test-products ourselves, reducing the risk of working further with products that does not work out. Our forecasting and development process has become very streamlined, involving many departments on an early stage, greatly reducing risks of building unnecessary stock.

- Securing more certified materials and fabrics is an ongoing process. We have increased our share of RWS-certified wool the last years and secured the chain of custody certification. We are continuously working to integrate processes internally. We are audited by an RWS auditor on a yearly basis. The separate animal welfare policy is on the way to be implemented, although we already have the standards in our Code of Conduct for suppliers. Unfortunately, the planned first commercial product using Spinnova materials was cancelled, due to low orders. We are using more recycled materials in our trimmings and care labels. We have also changed from colored zipper pullers to only three different metals, to reduce the use of color / dying in the production process.

**Status :**

- We have continued the phasing out of PFAS through our internal CO-group and have participated in the Pop-free research together with RISE and Haglöfs, among others. As most of the work has been finalized, the CO-group has been terminated, and the fabric team has taken over the remaining tasks. Y Mountain Line is the last collection containing PFAS. We are also participating in the TMC research on microfibers, e.i. sending our fabrics to testing, five fabrics yearly.

- We have embarked on large digitization project together with our existing partners in Centric (PLM) and Trimco (care labels and Certificate Manager), in order to establish a well-functioning platform for sustainability data, connected to product & material data and purchase orders. Our goal is to have a tool that can strengthen both our due diligence work, climate mapping and documentation practices - and that can serve our DPP obligations going forward. We experience that we do have enormous amounts of data, it just needs to be organized in a better way.

- Our first product with a unique QR-code is being launched early 2024 (TIND Insulated W Jacket). This is the start of our implementation of DPP. We are participating in a working group in NF&TA, working on an industry guideline on DPP, sharing our experience. We have also presented our initial work on DPP in several seminars, for example together with GS1 during Arendalsuka. We are otherwise following the development of new laws and regulations from the EU closely, i.e. through webinars from EOG, STICA, Virke and Ethical Trade Norway.

- We have participated in the Single-Use-Plastic project through the European Outdoor Group, where we removed the polybags at our warehouse for better sorting and recycling. This project is now being evaluated, seeing somewhat different results in different countries. We have continued communicating the membership in HMF in our stores, and we have (as have all of Norway) seen a dramatic reduction in the use of plastic bags as a result of the increased price from 2 to 4 NOK per bag.

**More Sustainable and Fair Value Chain:**

- Continue to report climate emissions from scope 1, 2 & 3. Improve data collection for tier 2 suppliers.

- Cooperation within STICA to jointly address suppliers for energy efficiency and renewable energy projects, such as SOLROS

- Reduce returns in all countries

- Implement better digital system for supplier mapping - both climate and social aspects - including external audit report information

- Improve our social auditing practices - to combine with Bergans factory visits. Look into collaboration with Sport Holding brands.

**Goal :**

- Continue social dialogue project with Quizrr in new countries, start with Vietnam.

- Implement written policy on remediation and communication

- Look into better digital grievance systems for suppliers

- Participate in living wage working group (EHN)

- Continue the close follow-up, including stakeholder dialogues, in Myanmar. Join Eurocham and MADE Myanmar.

- Better communication on Miljøfyrtårn and work more actively with the stores. Continue Bicycle friendly working place.

**More Sustainable and Fair Value Chain:**

- We have continued to report our climate emissions from scope 1, 2 & 3 through our STICA collaboration, continuously improving our competence and data.

- Together with other outdoor brands, we started to look into the SOLROS program for roof top solar in Vietnam. The program was unfortunately more fit for larger facilities than our suppliers have. But we have continued the great work in our STICA working groups for Vietnam and China. Firstly, all brands have opened our supplier lists to find shared suppliers, or suppliers in the same area. The China working group have organized a series of joint supplier webinars for capacity building on climate related topics, and started an initiative to buy renewable energy certificates for our supplier together as a group- The Vietnam working group have organized an energy & water assessment audit offer by a local energy consultant company, to offer our suppliers in Vietnam. We have learned slightly more about internal carbon pricing from other companies, and this is still under consideration.

- In 2023, we have reduced the risk of having to use air freight by having a good and constant dialogue with our suppliers and planning well ahead. Covid forced us to place our orders even earlier than before, and we have continued with these extended lead times. We have always had good lead times, but we have increased this focus even more, to secure good capacity at our suppliers and planning for unforeseen events (such as the need for shipping to sail around Africa).

- We are like other companies struggling with high return rates, although we are slightly below the average in Norway. All returns are put back in stock for sale again. We are continuously



improving our web page and have implemented a "fit finder" function for better guiding in size. We have also implemented "product notes", meaning comments and reviews from customers, which is also improving the buying process. It is a bit early to see the results of these actions now. We are also considering pricing returns.

**Status :**

- As mentioned above, we have started a process for implementing a system in order to have a simpler and better overview of our supplier data, including social audits. We hope to have this ready during 2024. We have also worked closer with Sport Holding, our Hong Kong office has joined the SH team on some of their supplier visits. We have not landed a formal way of collaborating yet, but this is work in progress. We have introduced the Quizrr social dialogue program to our Vietnam suppliers, but the implementation is slightly on hold because of the energy & water assessment at the same facilities. One facility in China is still using the training for new workers. We still need to look further into digital grievance mechanisms and finalize our policies on remediation. In 2023 a lot of time and resources had to be allocated to the due diligence work in Myanmar.

- We have participated in the Living Wage Working group at Ethical Trade Norway. This group has given us great insights to a very complex area in the due diligence work. The group has paused for the time being, and we are looking into how to take the work a step further. One possibility is expanding the group with more brands.

- In 2023, our main focus has been heightening our due diligence and risk mapping in Myanmar. We have joined both EuroCham and MADE Myanmar (facility program), we have had a close dialogue with our suppliers, continued to speak to stakeholders, reading reports and receiving daily information about the situation in the country. It is a challenging situation, but we have decided to stay in the country for now. More on this later in the report.

- We had a plan to expand the Miljøfyrtårn certification to some of our stores, but we have paused this due to the financial situation. We also want to look into how we can collaborate on this subject with Sport Holding, as they have already certified their stores as Miljøfyrtårn.

**More Sustainable Consumption:**

- Share our experience with circular services to create engagement
- Continue participation in networks and public debates to promote better frameworks for circular economy
- Promote repair through activities such as Tour de Sy and other campaigns
- Improve the customer journey on repair in Bergans
- Continue and develop the Service deal on our products

**Goal:**

- Promote redesign as a good entrance to repair in school
- Develop our second-hand sales, investigate online pilots
- Carry out 5 second-hand events, in all stores.
- Advocate to change "Brukthandelsloven"
- Develop and scale up our rental solutions (digital solutions)
- Contribute to improve the competence on industry level re-impregnation in Norway
- Participate in research projects regarding circular economy

**More Sustainable Consumption:**

- We continuously share our experiences with our circular services. In 2023 we have participated in numerous webinars, seminars, panels, lectures - sharing our knowledge with businesses, organisations, students, pupils, teachers, politicians, decision makers and the public. In total we have presented our sustainability work on 20 different events, and we have welcomed 6 organized visits to our office, among them a visit from Guri Melby, the leader of the political party Venstre, a visit from Virke and their sister organisations in Sweden and Denmark, and a visit from a student group from Australia. In February we participated in a big meeting about circular economy at the Ministry of Climate and Environment (KLD) where both the Minister of Climate and Environment and the Minister of Trade and Industry presented Norway's ambitions. In 2023 we were honored to receive the Sustainability price ("Årets Bærekraftspris") from Asker Municipality\*.

- We are participating in several networks focusing on different aspects of sustainability, including circular economy. Through Virke, we have participated in a insight group, giving feedback to the working group on Extended Producer Responsibility on Textiles (EPR). The working group delivered their report to the Norwegian government on the 10th of October. We have also participated in a Project group on Sustainable and Circular Textiles, where we are creating a roadmap for the textile industry, which will be handed over to the Ministry in 2024. We are also using our networks in SOG and EOG to discuss and share knowledge en experience with circular business models. In STICA, we are participating in a Circular Economy Working group - looking into best practices and ways to measure climate reductions from circular business models in the future. In the Norwegian textile network NF&TA, we participate in several working groups; one group working on Digital Product Passport, one group working on textile information & communication ("Opplysningskontoret for tekstiler" and "Vev"), and one Outdoor network looking into common solutions on repair. We believe that collaboration is needed when it comes

to circular services, so this will be an exciting group to follow in the coming year.

**Status :**

- We have, as usual, promoted our repair service and created engagement for more sustainable consumption through our Tour de Sy repair tour. This year we visited all our five stores, with some stops along the way. Tour de Sy also visited events in Asker, Molde, Rjukan and Fornebu, and joined festivals like Passion for Ocean, Fjellpride and Arendalsuka. We also carried out a repair / redesign workshop for students at Norges Idrettshøyskole (NIH). All together, our Tour de Sy concept visited 20 different places in 2023. We have continued our promotion of our "Service deal" on Rabot products together with Sport 1, and also received some products in for service. We have a new web page, but the repair page and the repair customer journey still need improvements.

- Continuing our success from 2022, we carried out five second-hand events in 2023, one in each of our stores. In the four stores outside Oslo, we combined this with Tour de Sy, at the event in Oslo we had mostly focus on second-hand sales, this event was on Black Friday. These events were very well received by our customers. For the year in total, we sold 1652 second-hand products, including the second-hand sales in our Oslo store all year around. An online solution for second-hand sales has not been prioritized, although we have had dialogues with some potential solution providers.

- The law on second-hand sales ("Brukthandelsloven") has been sent out for consultation by the Ministry of Industry and Trade. Bergans has written and sent in a consultation input with our recommendation to abolish the law all together, but to safeguard the parts that concerns the UNESCO obligations. We have also invited the Minister of Industry and Trade to our office in Asker when the Parliament has voted on the eventual changes in the law.

- New developments in our rental solution is still on hold, awaiting possibilities in our new web solutions.

- We have lifted re-impregnation as an important area in our NF&TA working groups.

- We are participating in the research program REDUCE, led by OsloMet, and we are also participating in a study led by Gore in Sweden looking into the durability of shell jackets. We have also shared our insights to several master students writing papers on circular economy (and other sustainability subjects), and we have held guest lectures for University students on circular economy and sustainability.

\* <https://www.asker.kommune.no/om-asker-kommune/priser-og-utmerkelser/barekraftsprisen/bergans-as-vant-barekraftsprisen-2023/>

### **More sustainable outdoors**

- Promote and enable outdoor activities for all
- Continue Bergans Adventures' collaboration with ADHD Norge
- Create and promote guidelines for sustainable travel and tourism

### **Goal :**

- Continue and scale up collaboration with DNT on rental and repair (Repair-kits in cabins)
- Develop cooperation on with Friluftsrådet
- Support and promote EOCA preservation projects. Invite Norwegian projects to apply.

### **More sustainable outdoors:**

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

- Bergans Adventures has offered a great variety of trips during the year, for both newcomers and more experienced hikers. The collaboration with ADHD Norge came to an end (as this was a covid related activity). In 2023 Bergans Adventures has started working with a social entrepreneurship program, planned to reach out to young people falling out of school. This will be a priority in 2024.

### **Status :**

- As before, we have continued the great collaboration with DNT and Friluftsrådet in Sweden. The repair-kits at the DNT cabins are well in use, we continue our rental solutions in some of the DNT cabins and Tour de Sy and our repair car has visited the DNT events "Vår Dag", "Fjellpride" and "Skredkveld". We also visited our partner Friluftsrådet in their office in Stockholm.
- We continue our support to the European Outdoor Conservation Association (EOCA).

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## **Goal for coming years**

1

### **More sustainable products**

*We will source and develop more sustainable materials, secure responsible handling of natural resources, animal welfare and innovation in our design processes.*

This we will do by, among other things:

- Design high quality products made to last. Continue our resource efficient design & development processes.
- Design for repair: Secure reparability in our high-quality products, and improve communication on existing features
- Materials: continue securing certified materials and increase share of more sustainable fabrics and trimmings.
- Secure internal routines and implementing new digital tools regarding certifications, preparing for Digital

Product Passport (DPP) and the Green Claims Directive.

- Chemical management: finalizing our work towards phase-out of PFAS.
- Continue to participate in research on microfibers with TMC, testing selected fabrics for shedding.
- Animal Welfare: implement new policy and strengthen internal routines and tools on certification.
- Packaging: participate in relevant projects, communicate Handelens Miljøfond and reduce the use of plastic bags in the stores.
- Continue the implementation of QR-codes in our care labels in preparation for Digital Product Passport
- Follow all upcoming regulations from the EU and Norway

2

### **More sustainable value chain**

*We will protect the environment, reduce our climate emissions and secure human and labour rights throughout our supply chain. We will contribute to positive development for communities where we operate.*

This we will do by, among other things:

- Continue to report climate emissions from scope 1, 2 & 3. Improve data collection for tier 2 suppliers.
- Create a Climate Reduction Roadmap with clear actions in every step of our value chain
- Continue the cooperation within STICA to jointly address suppliers for energy efficiency and renewable energy projects
- Reduce returns in all countries
- Implement better digital system for supplier mapping - both climate and social aspects, prepare for Digital Product Passport
- Improve external auditing practices - to combine with Bergans factory visits. Continue to look into colab with Sport Holding brands.
- Start social dialogue project with Quizrr in new countries, start with Vietnam.
- Implement written policy on remediation and communication
- Look into better digital grievance systems for suppliers
- Participate in living wage working group, or other relevant collaborations.
- Continue the close follow-up, including stakeholder dialogues, in Myanmar. Continue to take part in Eurocham events and secure factory participation in the MADE Myanmar program.
- Better communication on Miljøfyrtårn and Bicycle friendly working place

3

### **More sustainable consumption**

*Long live the product! We will take the lead on circular economy by collaborating with our customers through services such as repair, rental, reuse and redesign.*

This we will do by, among other things:

- Continue to share our experience on circular services to create engagement
- Continue participation in networks and public debates to promote better frameworks for circular economy
- Promote repair through activities such as Tour de Sy and other campaigns. Continue and develop the service deal on our products.
- Improve the customer journey on repair in Bergans.
- Follow the development in the NF&TA Sportsnettverket on collaboration on repair, look into solutions connecting brands, retailers and repair stores.
- Develop our second-hand sales and rental solutions, investigate online pilots
- Carry out second-hand events in Bergans stores.
- Follow up the law development in the law on second-hand sales "Brukthandelsloven"

- Promote redesign as a good entrance to repair in the educational system
- Continue to participate in research projects regarding circular economy

4

### **More sustainable outdoor**

*We will inspire and enable sustainable outdoor experiences through partnering with people and communities influenced by our business.*

This we will do by, among other things:

- Promote and enable outdoor activities for everyone
- Create responsible and meaningful outdoor experiences, advocate for sustainable tourism, leaving a positive impact for the communities (Bergans Adventures)
- Contribute to health, well-being and social inclusion by promoting and enabling outdoor activities. Bergans Adventures will work to set up a program for social entrepreneurship, enabling social inclusion for young people falling out of the education system.
- Support and take part in our partners' work on nature, reducing climate emissions and circular economy (DNT)
- Create and promote guidelines for sustainable tourism
- Support and promote nature conservation projects and build awareness on worldwide environmental issues among consumers (EOCA). Invite Norwegian projects to apply.
- Support our partners in projects aimed at conserving nature and promoting health and development in local communities where we operate

5

### **Create Engagement**

*We will enable change by engaging co-workers, customers and stakeholders. To reach our targets, we need everyone on board. For Bergans, sustainability is not a separate function, but a way of working, a mindset.*

This we will do by, among other things:

- Create engagement together with our co-workers, customers, partners and other stakeholders
- Continue to integrate sustainability in our organization, creating awareness and ownership, ensuring that sustainability is a part of all our co-worker's everyday work
- Enhance our sustainability communication and transparency, to enable our customers to make well informed purchase decisions and invite our customers to take part in our journey
- Take part in the public debate, to secure a good understanding of the role of businesses in the shift towards a more circular and sustainable economy

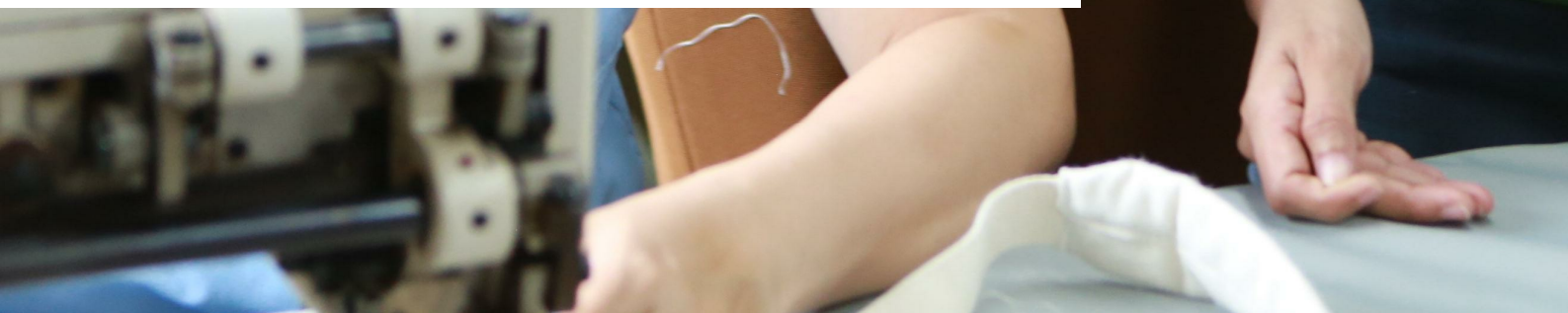




1

## 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.bergans.com/no/info/baerekraft/verdikjede>

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

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

Bergans considers sustainable business practice as a prerequisite for doing business– and at the same time a central contributor to sustainable development. This means that today's generations can meet their needs without compromising the needs of future generations. Bergans' vision is to "lead and inspire towards a sustainable future".

Bergans works actively with the UN Sustainable Development Goals. In particular, we see SDG number 8 (decent work and economic growth), 12 (responsible consumption and production), 13 (climate action) and 17 (partnership for the goals) as essential to our work.

<https://www.bergans.com/en/info/sustainability/value-chain>

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

In 2019 we updated our former "Sourcing and Production policy" from 2015. We have further developed this document, and adjusted with support from our advisors in Ethical Trade Norway. The name of the policy is "Policy for Sustainable Business Practice". This was approved by the existing board in 2020 and published on our website together with our Code of Conduct. The policy was presented and discussed in the management team before anchoring it in the new board in 2022 (Sport Holding).

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## 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?

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

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

Our work on due diligence in our supply chain is well anchored in our board and management team, and they own our Policy on Sustainable Business Practices. This policy is also deeply rooted in our organisation, as maintaining a responsible relationship with our suppliers, which we often have worked with for ten years or more, has historically always been embedded in our way of working in Bergans. In our daily work, the due diligence is mainly divided by our Purchase team, our Product team, our Hong Kong office, and the Sustainability team, each with different responsibilities. Our Purchase team secure a close and constant dialogue with our suppliers regarding planning and placing orders, securing capacity and good lead times, and thereby a responsible purchasing practice. Our Product department has likewise a good dialogue with our suppliers regarding design, fabrics, and development, and they visit the suppliers securing a good understanding of our products. Our Hong Kong office visits our suppliers often, conducting on-site inspections on quality and sustainability (visual observations and corrective action plans). We always ask our suppliers to share their latest external audit reports. The Sustainability team follows up on Minimum requirements, Code of Conduct, Factory profiles, corrective action plans, audit reports, certifications, etc. The team initiates improvement actions, such as on energy efficiency, renewable energy, and social dialogue projects. The Sustainability team also develops new policies and guidelines, and carries out stakeholder dialogues, most often together with co-workers in the other mentioned departments. If a breach of our Code of Conduct is discovered, the Sustainability, Purchase, Product teams and the HK office will collaborate on planning and carrying out appropriate measures.

Moving forward, we are working with our PLM supplier (Centric) and our care label supplier (Trimco) to develop a better digital tool for risk mapping our suppliers regarding social audits, for a better overview of supplier sustainability data and for a certificate management. This will hopefully be implemented during 2024.

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



### **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?**

The sustainability co-workers regularly have meetings with all departments and are involved in all projects concerning sustainability development. We strive to have a cross-functional way of working in all our sustainability efforts. For example, working with improvements in our supply chain and due diligence always involves both the Purchase department, the Product department, the Sustainability officers and occasionally the Management team. Including more sustainability aspects in more co-worker's written job descriptions is on our agenda moving forward.

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

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

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

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

Bergans also participates in several collaborative efforts in both the textile and outdoor industry, such as Bluesign®, the Higg Index, Kjemikaliegrupperen, The Scandinavian Initiative on Climate Action (STICA), the Scandinavian Outdoor Group (SOG), the European Outdoor Group (EOG), the Textile network in Virke, NF&TA, and of course our network in Ethical Trade Norway. Due diligence and other supply chain issues are now emerging as important collaborative subjects in these fora, in addition to circular economy, climate & environmental topics. In 2021-2023 we have carried out extensive stakeholder dialogues in relation to the critical situation in Myanmar. This work, demanding as it is, has of course given us a lot of experience working with suppliers in conflict areas.

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

As mentioned above, we are working with an improved tool for digitizing our supplier sustainability data, providing us with a better overview and risk mapping, including making reporting and communication easier going forward.

## 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?**

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

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

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

Sustainability is core of our business strategy and therefore a focus topic in board and management team meetings. The goals in our business strategy work as guidelines for all operations and the daily work in our company. In 2023 we have experienced budget cuts, resulting in tougher prioritization, also when it comes to sustainability related areas. At the same time, as a mature organisation following the developments in the EU on laws and regulations, we have managed to maintain the speed in most of the sustainability work.

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

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

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

We have worked with our suppliers for many years, and have experienced that long-term relationships based on mutual respect are both good for business, good for us, good for our suppliers, and also serves as a good foundation when working with improvements within either social or environmental areas.

We have minimum standards for all suppliers, including a set of general requirements and some specific requirements for high risk areas. All suppliers, both in tier 1 and tier 2, have read and signed our Code of Conduct\*, and completed our supplier documents such as the Factory Profile and the Sustainability self-assessment Questionnaire. Our suppliers also share their last external social audit reports with us, including improvement action plans and status updates.

All suppliers must also read, understand, and sign our Restricted Substance List (RSL) and Chemical Compliance document every year. All major tier 1 suppliers receive regular visits from Bergans, both from our Product and Purchase co-workers and from our Quality- and Compliance officers in Hong Kong. The latter completes sustainability reviews when visiting the factories. We use the services of SGS for product inspections. We also conduct regular Teams meetings with our suppliers. We have not been able to travel to our Myanmar suppliers since before covid and the military coup. We are working in other ways to secure our due diligence in this country, such as working with EuroCham, the MADE program and the SMART factory inspections. We have contacted the Ministry of Foreign Affairs and the Embassy in Yangon about the Norwegian travel restrictions, and explained that the restrictions causes challenges for our possibilities to carry out our due diligence work, as demanded by the Transparency Act. We hope that we will be able to travel to our suppliers in the near future.

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

As a result of being part of Sport Holding, we have a closer dialogue with the retail chains owned by Sport Holding. We have started the dialogue about collaborating on important sustainability issues, such as due diligence in the supply chain, for example regarding factory audits.

\*<https://www.bergans.com/no/info/baerekraft/verdikjede>

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## Indicator

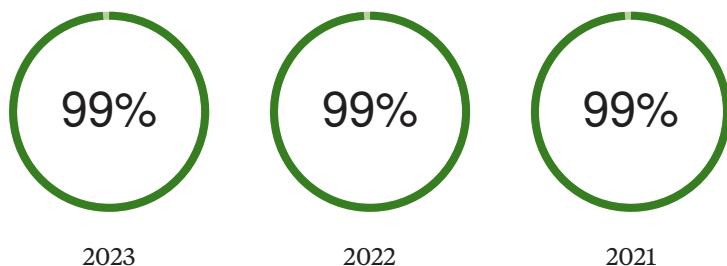
### Percentage of the company's suppliers that have accepted guidelines for suppliers



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



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

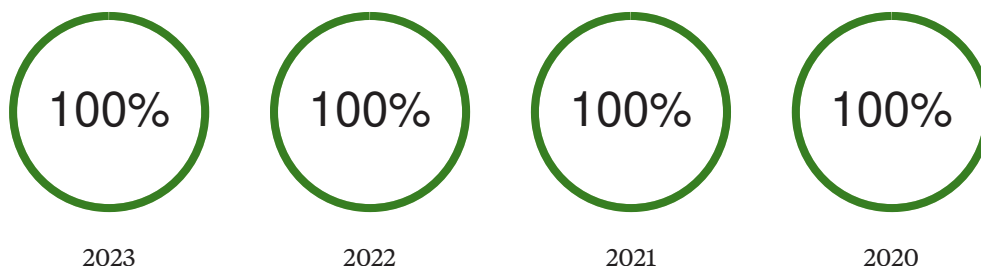


We always aim for long term relationships with our suppliers. We have included some new, smaller suppliers during the past years, but mostly in relation to innovation projects. These do not represent a significant share of our total purchase volume. We have worked to reduce our supplier base, as a part of our strategy to fill up production capacity at our main suppliers (for both seasons) and to be able to have a closer relationship with fewer suppliers. Our five main suppliers produce about 80 % of our purchasing volume.

Due to the politically unstable situation in Myanmar, we have been forced to look into alternative factory locations. Together with our supplier, we moved part of our production to other facilities in Cambodia and Bangladesh in 2021. These facilities have been on-boarded with our usual routines, supplied with external audit reports, since it was not possible to inspect them personally at the time during covid. We have been able to visit them in 2023. For now, we have decided to stay in Myanmar, and to work to secure and improve the worker's situation together with other brands, MADE Myanmar and EuroCham (this is further described in chapter 3).

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



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

## 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?

This year we have continued to develop and promote our circular services, mapped our climate emissions, nearly finalized our work on phasing out PFAS from our products and we have embarked on the digital passport journey. We have become more experienced in our systems for supplier information (PLM), and we have realized that we need to combine digital solutions in order to get an even better overview of our supplier and sustainability data. We have spent a great deal of time on stakeholder dialogues and working on our heightened due diligence in Myanmar. Finally, we have continued to give input on sustainability challenges to politicians, NGOs, researchers, and different institutions, we have among other things written an official consultation letter to the Ministry of Industry and Trade, urging the government to abolish the law on second-hand sales.

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

The political situation in Myanmar after the military coup in February 2021 is still extremely challenging. This means that our due diligence work here has the absolute highest priority. We have two suppliers with three facilities in the country. Our deepest concern is for the safety and well-being of the workers and their families, and our highest priority is for the people at our suppliers to keep having a job to go to and thereby a safe livelihood. Throughout the year we have had a very close dialogue with our suppliers, our contact persons in both suppliers have also visited us in Asker. We have joined EuroCham Myanmar, giving us a great network of European companies operating in the country and valuable information through regular meetings with relevant topics, including monthly meetings in the Garment group. We also receive daily updates about the situation on e-mail. Participation in EuroCham enables us and our facilities to take part in the EU funded MADE Myanmar program. MADE stands for “Multi-stakeholder Alliance for Decent Employment in the Myanmar apparel industry” and includes a factory program for social and environmental compliance, among other things. Both our suppliers take actively part in MADE, both with facility inspections and with workers and management participating in several training sessions during 2023.

During the year we have continued to have a close dialogue with our advisor in Ethical Trade Norway, and we have had several meetings with both Norwegian brands with suppliers in Myanmar, and bigger companies like H&M, and German outdoor companies. Through our numerous online meetings in EuroCham we both receive updated information about the current situation, we get updated on the MADE program and we have good discussions with brands, unions, representatives from the EU and other stakeholders. We have also attended the online version of the OECD Forum on due diligence held in Paris, watching a session on Myanmar with participants with contradicting views on the conflict and how western companies should act. Together with ETN we have arranged meetings in Norway with different stakeholders; among them the EU Ambassador in Myanmar Mr. Ranieri Sabatucci (online meeting with Norwegian outdoor brands), the Director of Myanmar Centre for Responsible Business, Vicky Bowman (in-person meeting in Oslo), and lastly representatives of The Norwegian Foreign Ministry and the Norwegian Embassy in Yangon.

We are convinced that our close and long-term relationship with our suppliers helps enormously to tackle the challenging situation. A decision to stay or go is not one we take lightly. For now, the arguments from stakeholders who state that leaving will make lives worse for our (mostly female) workers, carries the heaviest weight. Therefore, Bergans has decided to stay, continuing our heightened due diligence work together with our suppliers and EuroCham. We are at the same time following the development very closely going forward in 2024.

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

actions for improvements.

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



## 2

### Defining the focus for reporting

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

Political crisis	Freedom of association and collective bargaining Harsh and inhumane treatment Wages	Myanmar/Burma
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We prioritize workers' rights for our Tier 1 suppliers (labor intensive), while environmental impact and chemical handling is our focus for Tier 2 suppliers (fabric production, less labor intensive). Risks regarding workers' rights differ somewhat between the different production countries (Tier 1). Due to the politically unstable situation after the military coup in Myanmar early 2021, we have added political crisis as a salient issue for Myanmar. In 2022 and 2023 we have added wages for Myanmar, due to high inflation rates and political instability. For more information, see below.

## 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.**

Through our membership in Ethical Trade Norway, we have since 2009 committed to carry out due diligence assessments in our supply chain, to secure responsible business practices to respect humans, animals, society, and the environment, and stop, prevent, and reduce negative impacts.

It is important to note, that our strongest advantage regarding our supply chain management, in the long-term and resilient relationships with have with our suppliers. We have had a long cooperation with most of our suppliers, meaning we know each other well, we visit often, and our dialogues are based on mutual respect and understanding. This is important when developing technical garments and outdoor equipment such as backpacks and sleeping bags - this takes time and great effort, and we are dependent on collaboration and good competence at our suppliers. In addition, we also have direct dialogues with our tier 2 suppliers, as we nominate all fabrics and trimmings in the products we design and develop, we very seldom order ready-made products. This gives us a good control of our supply chain.

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

As previously mentioned, we have heightened our due diligence work in Myanmar, as this is a high-risk area. We joined EuroCham in 2023, and are receiving up-to-date information about the situation every day. In addition to having a close dialogue with our suppliers, we have conducted a great deal of stakeholder dialogue, with other western companies with suppliers in the country, with organisations, unions, the EU Ambassador, the Norwegian Foreign ministry as well as an in-person meeting with the Director of Myanmar Center for Responsible Business, Vicky Bowman. We also read updates through international news articles and read reports and publications from various organisations.

All suppliers receive our Code of Conduct, and must read, understand, and sign this before we enter into any purchase agreement. We always visit new suppliers before starting business. Our co-workers both in Norway and in Hong Kong have years of experience in analyzing suppliers first hand, knowing quite instantly if this is a supplier worth moving forward with. This kind of competence can never be underestimated. We also perform an extra evaluation on our supply chain partner every time new product lines are being developed. Our main risk



assessment documents are the Self-Assessment Questionnaire (SAQ) and the Factory Profile, which are based on Ethical Trade Norway's recommendations and ILO standards.

Chemical management and compliance is also an important part of the assessment, where our RSL document is key, and we are also a Bluesign system partner and a member of the Nordic Chemical Group (Kjemikaliegruppen). We factor in information gathered through our own on-site visits and interviews with suppliers, quality inspections and other external social audit reports, third-party certifications, and other external sources of information about the supplier. We always have continuous communication with our suppliers, and we aim to reach agreements based on mutual understanding, respect, and flexibility. Our Hong Kong-office visit our suppliers at least once a year, and in addition to quality controls they also carry out visual observation controls and following up irregularities with corrective action plans.

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

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

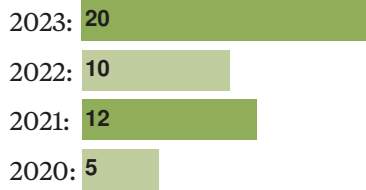
In this reporting year we have not done a thorough mapping of our sourcing of the natural materials that we use, such as cotton and wool (although we do know the country and region of origin on our RWS-certified wool). These value chains are long and complex. A few years back we did conduct a mapping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

We did, however, discover a gap in our RWS chain of custody this year. In order for us to use the RWS logo on our products, and be able to document the animal welfare standard correctly, all parts of the supply chain need to be certified, even us as a brand. We found out that our new supplier producing our wool socks was not RWS-certified. Although the wool material in our socks is certified, we had to remove the RWS-logo and wording on the packaging on the socks. We have had a good dialogue with our supplier, who was not aware of the chain of custody regulation on RWS. They will carry out the certification during this year, with our full support.

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

## Indicator

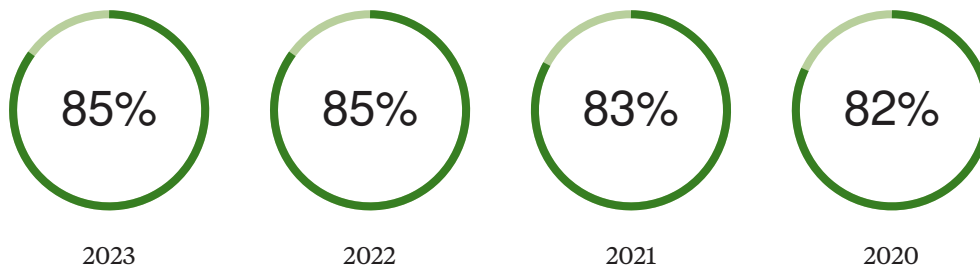
### Number of factories visited



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

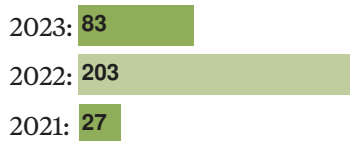
Travel was reduced to a great extent during covid, but now we are luckily traveling again. Visiting our suppliers is a big part of our due diligence work. We started using SGS inspections for quality control during covid, and we have continued to do so in 2023, although to a lesser extent.

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



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

### SGS inspections (external quality inspections at production facilities)



SGS inspections are third-party inspections of our suppliers, but mostly focusing on the quality in production. Several visits to the same facilities, for example 10 visits to the same facility regarding a military order. Visits to all supplier countries. High usage of external audits in 2022, due to travel restrictions. 2021 is the first year we used the services of SGS. The lower amount of visits in 2023 was due to budget cuts.

## 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.**

We have continued our mapping of our climate emissions for all scopes 1, 2 and 3 in 2023, as a big part of our negative impact is the emissions our production of fabrics and products contributes to. We need to map this in order to know where to prioritize our reduction actions. Also, as member of STICA (Scandinavian Textile Initiative on Climate Action) we have committed to report these emissions annually as well as to initiate actions to reduce our total emissions at least 50 % until 2030. We have already started the dialogue on reducing emissions together with other members of STICA as well as a selection of our suppliers. We discovered that some of our suppliers have already carried out water and energy efficiency mapping, and have also started implementing actions. One of them, a Bergans supplier in Vietnam, shared with us their good experiences with a local energy consulting agency. We have introduced this agency to more of our suppliers, and also to other brands in our Vietnam STICA working group, resulting in more brands and suppliers engaging in water and energy efficiency mapping. The brands are paying for the initial mapping of the facilities, in order to speed up climate action measures.

We are also following a decarbonisation project in the European Outdoor Group (EOG) and have shared our supplier list both in tier 1 and 2, to see if we share suppliers with other brands in order to create grounds for common actions. We have contributed financially to a joint carbon tech assessment which has been organized by EOG on behalf of the members in the initiative.

Another area where the environmental risks in our industry are well known, is the use of hazardous chemicals. This is especially the case when it comes to dyeing and wet-treatment processes of materials and in the use of PFAS in the impregnation. Bergans has for many years been a Bluesign®-system partner. The Bluesign® partnership provides us with a yearly updated Restricted Substances List (RSL) which we share with our suppliers, who in turn reads and sign this through our Chemical Compliance procedure. Bluesign® also secure strict regulation in the handling processes of chemicals in facilities. During the last years, we have heavily focused on phasing out the use of PFAS in our impregnation, through establishing an internal CO-group and cooperating with research institutes and other brands in our industry. This work has been more or less finalized in 2023, the CO-group has been terminated and the work implemented in daily routines. Our last product using PFAS in the Y Mountain Line.

When it comes to social impacts; we sometimes find small breaches of our requirements for Environmental Health & Safety when visiting factories during our own inspections. These breaches are always reported to our supplier together with an Improvement Action Plan (IAP), which helps our suppliers to implement corrections. Our suppliers also have regular visits from third party auditors. These reports are shared with us, and we follow up improvements from these inspection with our suppliers. We plan to strengthen our supplier mapping with an even more systematic and detailed approach through our project on digitization of our sustainability data with our partners in Trimco and Centric, as previously mentioned. We are also continuing the dialogue with Sport Holding, looking into areas of collaborations.

Our Quizrr program on social dialogue has been set on a pause in 2023. We had plans to expand the program to our suppliers in Vietnam this year and have presented the program to the suppliers. But due to the focus on energy efficiency programs in the same facilities, we decided to postpone the Quizrr project to avoid overburdening the suppliers.

As already mentioned previously in this report, the critical situation in Myanmar and the impact this has on the workers at our suppliers, has had a great focus for us this year. We have spent a lot of time on stakeholder dialogues, including of course maintaining a close dialogue with our suppliers. One of the biggest ethical dilemmas is the discussion on what has the greatest negative impact on the people in Myanmar, and especially on the (mostly female) workers at textile factories; should western companies pull out or should they stay? We have spent a lot of time discussing this internally, with our advisors in Ethical Trade Norway, with other companies, with our government, and we have listened to stakeholders with very different views on these questions (although they all have the same goal - to create freedom of fear, peace, and democracy in Myanmar). Some stakeholders say western companies should leave, and that EU should cut the EBA\* and the financing of MADE, as this will in turn force the military regime to surrender. Other stakeholders say that the textile industry has no leverage in the country, and that western companies leaving and the EU terminating its support will only make the living situation for the workers much worse. For now, Bergans has decided to listen to the latter, and are staying in the country with an ambition to secure good working conditions and a safe livelihood for the textile workers.

In September 2022, we were informed about several breaches on our Code of Conduct and ILO working rights standards at one of our suppliers in Myanmar. After an initial common approach from the three outdoor brands sharing the supplier (described in our 2022 report), the supplier has implemented several corrective actions to remediate the breaches. We have continued to follow this supplier closely, and continuing meeting up with the two German outdoor brands. The supplier is now a part of the MADE program and the SMART factory program and has continued with inspections and corrective actions. The supplier seems to be making improvements, but we are still not totally convinced that this is enough to meet our standards. See more in chapter 6.A.

\* EBA stand for "Everything but Arms". The EBA scheme removes tariffs and quotas for all imports of goods except arms and ammunition, coming into the EU from the least developed countries (LDCs).





### 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

<b>Salient issue</b>	<b>Workers rights</b>
<b>Goal :</b>	Secure social dialogue and worker representation at all suppliers
<b>Status :</b>	<p>We continue to have a close cooperation with our suppliers. We have had good results from especially one of our suppliers in China working with Quizrr, so we will continue to work with this social dialogue tool also in 2024, planning to implement to more facilities in Vietnam going forward. The implementation planned for 2023 had been put on hold, due to investments in energy efficiency in the same facilities.</p> <p>We have also had to prioritize the situation in Myanmar. The MADE program has great focus on worker engagement and representation, and our suppliers have participated in several trainings on this issue in 2023. They have also had inspections at the facilities, showing progress on several areas.</p>
<b>Goals in reporting year :</b>	Continue to use the social dialogue training tool together with Quizrr, to better educate workers on their rights and responsibilities. Evaluate status at current facilities.



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

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

Our Myanmar suppliers has joined MADE Myanmar and the SMART facility program. This includes both inspections at the facilities and several different trainings for both workers and management. Both suppliers have previously been audited by both Fair Wear and BSCI, but because of the military coup, this is no longer possible. Consequently, the MADE program is essential. The workers are still able to use the Fair Wear hotline.

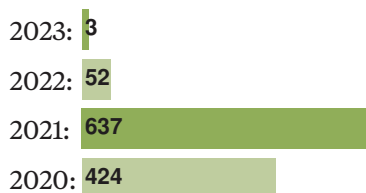
**Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :**

For the Quizrr program, we do not have anything new to report for 2023, as the program has been on hold due to already mentioned priorities. For the SMART Myanmar facility program, which off course also includes social dialogue and worker representation, we have received audit results and corrective actions from the three facilities from our two suppliers. Please see the the results from these audits on in the section about Myanmar below.

We will continue to use the social dialogue training tool together with Quizrr, to better educate workers on their rights and responsibilities. Our goal is to implement the tool at three new suppliers in Vietnam. We will also continue to monitor the trainings and the inspection on our facilities in Myanmar, and evaluate the effect this has on worker representation and other worker's rights at our suppliers.

## Indicator

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



Since 2019, three of our Chinese suppliers have made use of the Quizrr tool workers training tool. In total 1733 workers have completed 8477 training sessions since we started. We are now planning to move the training to

our suppliers in Vietnam, but we have put these plans on hold due to the climate & energy program at the same facilities.

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<b>Salient issue</b>	<b>Environmental impact</b>
<b>Goal :</b>	<ul style="list-style-type: none"> <li>- More sustainable materials and production methods</li> <li>- Measurable environmental improvements in the supply chain</li> <li>- Lead in the transformation to a more circular economy</li> </ul>
<b>Status :</b>	<ul style="list-style-type: none"> <li>- We have increased our share of more sustainable materials and trims, we continue our use of better coloring methods.</li> <li>- We have continued mapping climate emissions for all scopes, started to work actively with collaborative actions.</li> <li>- We have continued our engagement for repair, carried out second-hand events to strengthen our work on second-hand, and have advocated for better conditions for circular services</li> </ul>
<b>Goals in reporting year :</b>	Mapping and reporting on our climate emission for Scope 1 (offices and transport), Scope 2 (energy use) and Scope 3 (emissions from our supply chain). Continue the work on materials & trims, and enhance and develop our circular services.

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

We have continued to increase the share of recycled materials. We often change from virgin materials to recycled when updating our product versions. We also choose more recycled trimmings when available, and we have really succeeded to enhance the use of recycled trims this year. We experience that sourcing recycled materials sometimes can be a challenge, due to either quality or delivery issues. We have also continued to use more sustainable production methods like solution dyeing in our Stranda collection. We did try to implement the amazing Spinnova materials, mechanically produced from wood fibers without harmful chemicals, in commercial products. Unfortunately we did not get enough orders to make the MOQ for these products, so they ended up not being produced.

Through our participation in the Scandinavian Textile Initiative on Climate Action (STICA) we are mapping our climate emissions. In 2023 we again reported our emissions for Scope 1, 2 & 3 to STICA, who in turn publishes a common and open report with the calculated emissions of all brand members. This year we experienced a decrease in our emissions, mainly due to lower sales figures. We also had a lower volume of air freight than last year, a year out of the ordinary in this sense, with challenges in the global shipping industry. In 2023 we are back on track, and have planned our orders closely with our suppliers, with even bigger lead times than before. We have started with water and energy efficiency program in Vietnam together with other brands in our industry, and we are also a part of an EOG project on decarbonisation in outdoor value chains. We are buying Guarantees of Origin for renewable energy for all our own units and are looking into an even better collaboration with our renewable energy partner in Norway Becour. We have also been part of a STICA project group, with the aim of enabling our suppliers to purchase renewable energy certificates.

Our circular services on repair, rental, return scheme, second-hand sales and redesign have a special place in our sustainability strategy. In 2023 we have continued to promote our Service Deal on our Rabot products in collaboration with Sport 1. We have visited 20 different places with our repair car and Tour de Sy during the year - promoting our service and creating awareness, also through the media, about sustainable consumption. We have also campaigned for our return scheme and second-hand sales, including arranging five second-hand events, one in each of our stores, during the year. We have visited universities and carried out redesign workshops - realizing that focus on sowing and repair is greatly missed in our education system. Bergans has written and sent in a consultation letter to the Ministry of Industry and Trade with our recommendation to abolish the law on second-hand sales, but safeguarding the parts that concerns the UNESCO obligations. We are participating in several networks working with collaboration on circular economy, among them STICA and NF&TA. We are closely following the regulations coming in this area as well, sharing our practical insights with decision makers through Virke, for example on the coming Extended Producer Responsibility (ERP) on textiles.

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

Goals for the coming years:

- Continue to source more sustainable materials and trims
- Investigate in and utilize production methods
- Continue mapping emissions, implement a better digital data collecting platform (look into the emission twin program)
- Continue and expand the energy projects with our suppliers in several countries
- Create a road map for our climate emissions, with clear milestones (STICA requirement for 2024)
- Take the lead in the transformation to a more circular economy, including development of our services and continue advocating for better conditions for services that contributes to more sustainable consumption



<b>Salient issue</b>	<b>Chemical management</b>
<b>Goal :</b>	Safe chemicals – secure RSL compliance and increase Bluesign® approved materials for our products.
<b>Status :</b>	This is an ever-ongoing priority. Our RSL is constantly being updated, we send the updated list from Bluesign® to all our suppliers every year. We have done an extensive amount of work in our CO-working group, and collaborated with our industry on phasing out PFAS. This work has during 2023 been finalized. We still have to work on detection of "hidden use" of PFAS in different parts of our products (beyond fabrics and DWR). Here we are collaborating with other brands in Scandinavia.
<b>Goals in reporting year :</b>	Increase share of Bluesign approved materials. Continue the work on finding alternatives to PFAS. Contribute to the microfiber research project.

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

Our product development team always prioritize sourcing bluesign approved materials and trims, where possible. While still increasing the share of bluesign approved fabrics, our developers have also implemented many more bluesign approved trims (zippers, buckles, buttons, thread etc.). In our Product Lifecycle Management system (PLM) we monitor the progress and are now looking into finding better ways to monitor sustainability KPIs within this system, also in combination with the certificate manager in the Trimco platform. In 2023 we have again updated our Restricted Substances List (RSL) in accordance with bluesign.

Through joint research projects the last years, and through our own internal CO-project, we have succeeded to test and gain insights to alternatives to PFAS. These projects have now ended, and the learnings are implemented in normal working routines. We launched our last products containing PFAS in 2023. We have also communicated this work in a press release, participating in media interviews and we have had communication flyers in our stores and in eCommerce orders. We now see the need to communicate care instructions and re-impregnation more strongly to our customers going forward.

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

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

Goals for the coming years:

- Continue the work on increasing bluesign approved materials and trimmings
- Implement new digital system (Trimco / Centric) - better way of following up RSL / Chemical compliance
- Follow chemical development through our membership in Bluesign and Kjemikaliegruppen
- Communicate care instructions and re-impregnation solutions to customers
- Contribute in the TMC microfiber research project, by testing five fabrics per year.
- Collaborative work on detection of "hidden use" of PFAS in different parts of our products (beyond fabrics and DWR)

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

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

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

We can of course never guarantee that our supply chain is in no way linked to the grave human rights abuse of the Uighur minority. We do rely on the information we receive from our suppliers at this moment, also, we do believe that the GOTS certification also gives some security in this sense. We will continue to monitor this question going forward.

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

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

Goals for the coming years:

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

<b>Salient issue</b>	<b>Political crisis</b>
<b>Goal :</b>	Secure safety of workers at our supplier's factories in Myanmar
<b>Status :</b>	The political situation in Myanmar after the military coup continue to have impacts on people in our supply chain. We have heightened our due diligence, keeping a close dialogue with our suppliers and engaging in stakeholder dialogues.
<b>Goals in reporting year :</b>	The military coup in February 2021 and the following conflicts and political unrest in Myanmar has forced all western companies with suppliers in the country to heighten the due diligence work. Our goal for 2023 was to keep a close dialogue with our suppliers, keep and enhance our stakeholder dialogues, join EuroCham and MADE Myanmar and make sure that our suppliers also take an active part in MADE (trainings, forums, joint efforts) and have inspections from the SMART facility program (a part of MADE).

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

The political situation in Myanmar after the military coup in 2021 still has impacts on our supply chain and the workers in the facilities. We have two suppliers with three facilities in the country, and our deepest concern is always the safety and well-being of the workers and their families. Throughout the year we have had close contact with our suppliers to get better understanding of the situation locally and to safeguard the security of our workers at the factories. Representatives from both our suppliers have visited our office in Asker (one in December 2022 and one in May 2023) giving us good insights from their perspective.

Bergans joined EuroCham and the MADE program early 2023. This has, as mentioned earlier in this report, given us a great network of European companies operating in the country and valuable information through regular meetings with relevant topics, including monthly meetings in the Garment group. We also receive daily updates about the situation on e-mail. Participation in EuroCham enables us and our facilities to take part in the EU funded MADE Myanmar program. MADE stands for “Multi-stakeholder Alliance for Decent Employment in the Myanmar apparel industry” and includes the SMART facility program for social and environmental compliance, among other things. Both our suppliers take actively part in MADE, both with facility inspections and with workers and management participating in several training sessions during 2023.

As this is an extremely complex and quite an unprecedented situation, the way forward is not evident. Our stakeholder dialogues have been both a high priority for us, and utmost helpful. During the year we have continued to have a close dialogue with our advisor in Ethical Trade Norway, and we

have had several meetings with both Norwegian brands with suppliers in Myanmar, and bigger companies like H&M, and German outdoor companies. Through our numerous online meetings in EuroCham we both receive updated information about the current situation, we get updated on the MADE program and we have good discussions with brands, unions, representatives from the EU and other stakeholders. We have also attended the online version of the OECD Forum on due diligence held in Paris, watching a session on Myanmar with participants with contradicting views on the conflict and how western companies should act. Together with Ethical Trade Norway we have arranged meetings in Norway with different stakeholders; among them the EU Ambassador in Myanmar Mr. Ranieri Sabatucci (online meeting with Norwegian outdoor brands), the Director of Myanmar Center for Responsible Business, Vicky Bowman (in-person meeting in Oslo), and lastly representatives of The Norwegian Foreign Ministry and the Norwegian Embassy in Yangon.

Reports about the situation from ILO, The World Bank and others, and different media articles about the situation are deeply worrying to read. There are also still stakeholders stating that the required heightened due diligence is not possible to accomplish. Some stakeholders, like the IndustriALL Global Trade Union, are urging the EU to end its support for the MADE Myanmar and cut the EBA. It was also worrying for us to learn that H&M has decided to phase out their production in Myanmar, as a result of an overall assessment of their ability to secure heightened due diligence for all of their facilities. We have again had an online meeting with the H&M Myanmar Manager, receiving again great insights.

On the other hand, EuroCham, and by that the EU, is still convinced that due diligence is possible, although challenging. They have developed a comprehensive Fact sheet for the Myanmar Garment Sector, that aims to update stakeholders on the current state of Myanmar's apparel sector and is intended to contribute to greater transparency and understanding of the sector's importance for the livelihoods of the hundreds of thousands of people in Myanmar. The Fact sheet covers the structure of the sector (including garments, footwear, and luggage), the situation of workers, and the sector's contribution to Myanmar's economy, including tax revenue. It also addresses the question of military involvement in the sector.

Bergans is convinced that our close and long-term relationship with our suppliers helps enormously to tackle the challenging situation. A decision to stay or go is not one we take lightly. For now, the arguments from stakeholders who state that leaving will make lives worse for our (mostly female) workers, carries the heaviest weight. Therefore, Bergans has decided to stay, continuing our heightened due diligence work together with our suppliers and EuroCham. We are at the same time following the development very closely going forward in 2024.

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

Our two suppliers have previously before the coup been audited by both Fair Wear and BSCI. As this is no longer possible, their participation in the MADE and being audited by the SMART Facility program is crucial for our due diligence work. Our suppliers are participating actively, and we have received audit results, corrective actions, and improvement scores from the three facilities from our two suppliers. Our suppliers are also participating in several different training sessions provided by

MADE:

**Our supplier Kido** (one facility) has participated in eight different trainings, regarding topics such as HR strategy, Basic labor law, Supervisory skills, Social compliance, Green Growth, Carbon footprint, GHG emissions and renewable energy. They have also participated in several MADE forums, together with other garment suppliers and brands, and also union organisations, among others. They have had several audits and follow-ups from MADE. From the first to the last audit, the facility has made great improvements; reaching 88 % of full implementation on "total" audit (up from 67 % on the first audit), reaching 90 % of full implementation on "labor rights" (up from 60 % on the first audit), and reaching 86 % on full implementation on "EHS" (up from 73 % on the first audit).

**Our supplier NSG 2** has several workers and managers participating in five different trainings, regarding topics such as WCC Election Guideline Awareness, WCC Election Committee Members training, Supervisory skills, Basic labor law and Social Dialogue & Effective Grievance Mechanisms Training. They have also had several audits and follow-ups from MADE. From the first to the last audit, the facility has made improvements; reaching 86 % of full implementation on "total" audit (up from 62 % on the first audit), reaching 84 % of full implementation on "labor rights" (up from 64 % on the first audit), and reaching 89 % on full implementation on "EHS" (up from 61 % on the first audit).

**Our supplier NSG 1 Ceres** has several workers and managers participating in six different trainings, regarding topics such as Applied Labour Laws for Supervisor Level in Apparel Industries, WCC Election Committee Members training, Supervisory skills, Basic labor law and Social Dialogue & Effective Grievance Mechanisms Training. They have also had several audits and follow-ups from MADE. From the first to the last audit, the facility has made improvements; reaching 84 % of full implementation on "total" audit (up from 74 % on the first audit), reaching 87 % of full implementation on "labor rights" (up from 69 % on the first audit), and reaching 81 % on full implementation on "EHS" (up from 79 % on the first audit).

Goals for the coming year:

Although the results from our NSG suppliers show improvements, it is a concern that the issues raised in the audits are similar to the ones raised in the Fair Wear report described in our 2022 report. We are currently looking into this issue.

We will continue to monitor the situation through dialogue with our suppliers, Ethical Trade Norway, EuroCham, other companies and other stakeholders. We will also try to meet up with the General Secretary of IndustryALL, when he is visiting The Ethical Trade Conference in Oslo in April. Through EuroCham we will continue to receive direct information on what is happening on the ground. We will strive to heighten our due diligence, especially through the MADE Myanmar program, with a goal to secure and improve the workers situation. We hope to be able to visit our suppliers during 2024. Finally, we continue to prepare for a responsible exit strategy, in case an exit will be necessary.



## 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

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

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

As already stated in this report, Bergans does extensive work on chemical management, and is committed to the Bluesign® system which secures that we avoid harmful chemicals in our production and products, and always lie ahead of regulations. It also safeguards the handling of chemicals in the facilities. We are closing in on phasing out flour carbons (PFAS) in our products. We participate in research programs on microfiber, together with suppliers, research partners, test institutes and other brands. We have started mapping the awareness of the topic among our fabric suppliers, and some of them have already started testing and implemented actions. All our fabric suppliers are obliged to have wastewater treatment systems, and some are using these systems for preliminary testing of microfiber shedding in production.

Regarding the use of animal-derived materials, our animal welfare policy in our Code of Conduct is very clear: all animals in our supply chain shall be treated humanely and according to strict regulations. Bergans only accepts virgin down certified by the Responsible Down Standard (RDS) and recycled down in our products. We demand that all virgin down included in our products must be a by-product of the food industry. We do not in any circumstances tolerate "live-plucking" of down. When it comes to wool, Bergans does not accept the practice of "mulesing", and we require certificates from our suppliers to ensure mulesing-free practices. We are moving rapidly towards our goal to only purchase wool certified by the Responsible Wool Standard (RWS) or recycled wool. Bergans does not use fur, neither from animals nor synthetic, the latter due to the risk of shedding of microplastics.

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

Bergans is a member the European Outdoor Conservation Association (EOCA), a charitable organisation created by the European outdoor industry - working together giving something back into the environment that we all care about so passionately - as well as depended on for our livelihood. The EOCA directly funds specific grassroot projects concerning threatened wild areas, species and habitats. This may include for example moorland, hills, mountains, coasts, rivers, forest, grassland, peatland, lakes and ocean areas. During the last 15 years the EOCA has funded 184 projects, in 65 countries, to the tune of nearly €5 million.

When it comes to packaging, we use recycled materials in our polybags, eCommerce bags, return bags (pantepose), and shopping bags. We are a part of the EOG Single-use plastic program, and in 2022 we participated in a project where we reduced the use of polybags in our eCommerce. This was followed by a customer survey, with great feedback. Bergans is a member of Grønt Punkt Norge (EPR) and Handelens Miljøfond, paying 2 kr per sold shopping bag. Handelens Miljøfond is Norway's largest private environmental fund, supporting projects that reduce plastic littering, increase plastic recycling and reduce the consumption of plastic carrier bags.

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

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

Bergans is actively working to reduce our emissions while offering services that extend the life of our products. To reduce emissions, we are firstly mapping our emissions in scope 1, 2 and 3 - and have committed via STICA to reduce these emissions in line of the Paris agreement, which means reducing our emissions with at least 50 % by 2030.

In STICA, brands are working together to find common solutions regarding climate actions in supplier countries. We have opened our supplier lists, both tier 1 and 2, in order to find shared suppliers or suppliers in the same areas. Bergans is participating in two country working groups with other brands in STICA, one for suppliers in China and one for Vietnam suppliers. The China working group organized a series of joint supplier webinars for capacity building on climate related topics and started an initiative to buy Renewable Energy certificates for our suppliers together as a group. The Vietnam working group organized an energy & water assessment audit offered by a local energy consultant company, for our suppliers in Vietnam. One of the Bergans suppliers had already carried out such an audit with the consultancy, and shared both their experiences and results with us, enabling us in turn to share this with the rest of the group.

We are also participating in a Decarbonisation project together with brands in the EOG, looking into actions at our tier 2 suppliers in Taiwan. We are constantly investing in more sustainable quality materials, more sustainable colouring technologies and buying renewable energy for our own operations. Lastly, we always design our products with high quality standards, made to last and made to repair - and we offer services that prolong the life of our products and are at the forefront promoting a more circular services in Norway. (see more above).

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

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

The global logistics situation has been challenging the last years, due to covid, the war in Ukraine and attacks on cargo ships in the Red sea. Our Purchase department has been in a constant dialogue with our vendors to monitor and adjust shipping dates. As a consequence of these logistic disruptions, we now place orders much earlier than we have been used to before. This gives the vendors more room to prepare their production planning.

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## Indicator

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



This is not an issue in our value chain since we always pay our suppliers on time. This has also been the case during covid and during the current logistics challenges. Also, we have still paid on time, and even on some occasions up front, in cases where the deliveries have been delayed.

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

Our goal is to increase the share of more sustainable and/or certified materials and production methods. We are working on this by:

- Bluesign®: constantly increasing the share of bluesign approved materials and trims, including being ahead of chemical legislation.
- Solution Dye: we have continued to use SpinDye for our Stranda ski collection, saving water, chemicals and energy under the dyeing process (although this is expensive, and demands high MOQs.)
- Down: All our virgin down is certified after the Responsible Down Standard (RDS), if it's not recycled down from Re:down
- Wool: We always demand non-mulesing certificates from all our wool suppliers and we have a good progress in increasing the share of Responsible Wool Standard (RWS) certified styles. These are chain-of-custody certifications, and we have been re-certified in 2023.
- We require certificates for recycled materials (Global Recycled Standard GRS) and for organic content (Global Organic Textile Standard GOTS)
- We have developed and used a new and wood-based and more sustainably produced fiber (without any hazardous chemicals) together with a Finnish partner (Spinnova). We did unfortunately not succeed in using this in a commercial product this year.
- We always design our products with high quality standards, made to last and made for repair.
- We test all our fabrics in our in-house lab, though a number of different quality tests. We also order external chemical test for a range of products to secure our high chemical standards.
- In 2024 we will prepare for the digital product passport and implement a new platform (certificate manager) in order to secure the documentation on all certifications in a better way.
- We are following, and preparing for, the development on new regulations coming from the EU Green Deal closely, for example the Green Claims Directive and the CSRD.
- We are collaborating with the industry, for example the EOGSustainability Data Exchange Project (SDEX).

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

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

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

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

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

Regarding our suppliers, we have continued to use a worker training tool (Quizrr) to better educate workers on their rights and responsibilities and to increase social dialogue in three of our Chinese factories. 1733 workers have completed 8477 training sessions so far. The plan is now to start the program in more facilities in Vietnam. We have also informed our suppliers about the Norwegian Transparency Act. Through our mapping on climate emissions, renewable energy, microplastics and living wage, we are also creating awareness at our suppliers about these topics. Our joint STICA initiatives on renewable energy and energy & water efficiency in China and Vietnam, will hopefully create both learnings and actions, some suppliers are already positively on board. We have also recently had a meeting with one of our wool suppliers about RWS-certification. Finally, as already mentioned many times, our suppliers in Myanmar are participating in several training sessions through the MADE program.

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

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

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

### **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**

We are following the development in the EU regarding the Green Deal and the Circular Economy Action Plan. We are positive to all the frameworks and regulations coming, as we firmly believe that regulations will contribute to both leveling the playing field for companies, give the consumers better possibility of informed sustainable choices, and move the whole textile industry faster towards more sustainable business practices. We take part and give our insights where we can, for example through our partners in Virke, NF&TA, SOG, EOG and Ethical Trade Norway.

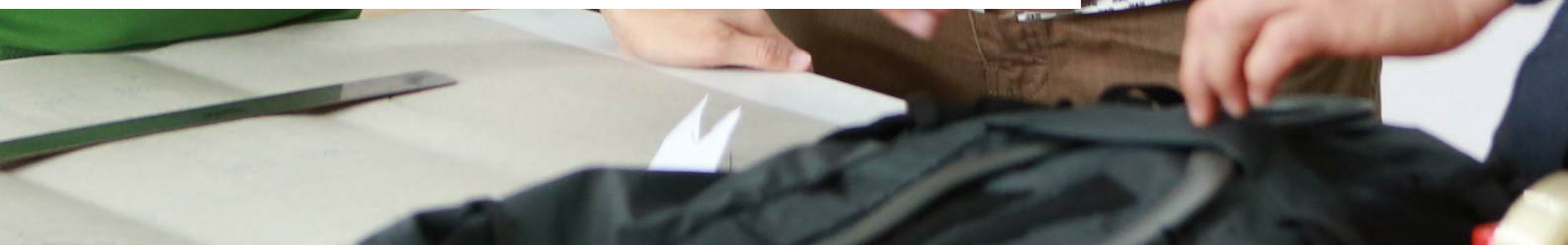




## 4

# Track implementation and results

Tracking implementation of actions and results relates to measuring the effects of the systematic approach and own work in each step of the due diligence process, showing whether the 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.**

We have two employees in our Hong Kong office who have frequent contact with our suppliers. They are on regular visits to their facilities to conduct quality controls and to monitor the situation regarding workers' rights, environmental and health & safety. After every inspection, they set up improvement action plans and secure their follow-up together with the supplier. Our HK-office employees are highly experienced and have a well-developed eye for evaluating the quality of our facilities, which is closely related to sustainability issues. Our HK-office also orders SGS audits for product quality inspection at our suppliers.

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

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

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

Our supply chain set-up with a limited number of suppliers, our focus on long-term and close relationship, and the routines we have established through many years, form the basis for our risk management in our value chain. Through our due diligence work we have mapped social dialogue and environmental & climate action as our main focus areas. During the last three years, Myanmar has become a high risk area, and thus made our due diligence work in this country a top priority.

To deal with our main priorities we participate in larger projects and initiatives together with industry peers and other stakeholders. Projects like Quizrr enables us to assess the number of workers that is educated in rights and responsibilities. The emissions mapping within STICA gives the possibility to evaluate our climate emissions and implementing actions. In Myanmar we are part of EuroCham and MADE, strengthening our due diligence together with other brands and other stakeholders. Finally, our reporting to Ethical Trade Norway provides us with a very valuable framework for constantly monitoring our due diligence work.



## 5

# Communicate how negative impacts are addressed

A prerequisite for good external communication on due diligence for responsible business conduct is that it builds on concrete activities and results. 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

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

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

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

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

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

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

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

Our yearly reporting to Ethical Trade Norway, which is also our report complying to the Transparency Act, is honest, open and extensive, and it is available both on Ethical trade Norway's web page, as well as our own:

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

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

<https://sustainablefashionacademy.org/stica/reporting-guidelines-annual-reports/progressreport2022/>

This is also linked from our own web page:

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

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

We also strive to be proactive in our actions and communication, rather than reactive. Our vision is to "lead and inspire towards a more sustainable future" - thus we want to be a part of the discussion and contribute to set the agenda. However, when it comes to the Myanmar situation, we did make a conscious decision to not proactively communicate externally (except form this reporting), in order to prevent potential negative impacts on the safety of the workers at our factories. This has changed somewhat during the year. We have, together with other brands, been urged by the EU Ambassador in Myanmar to make a public statement on our decision to stay in the country. We plan to do this shortly. We have also participated in a Ethical Trade seminar where we spoke about our challenges and dilemmas in Myanmar to other members of Ethical Trade Norway.

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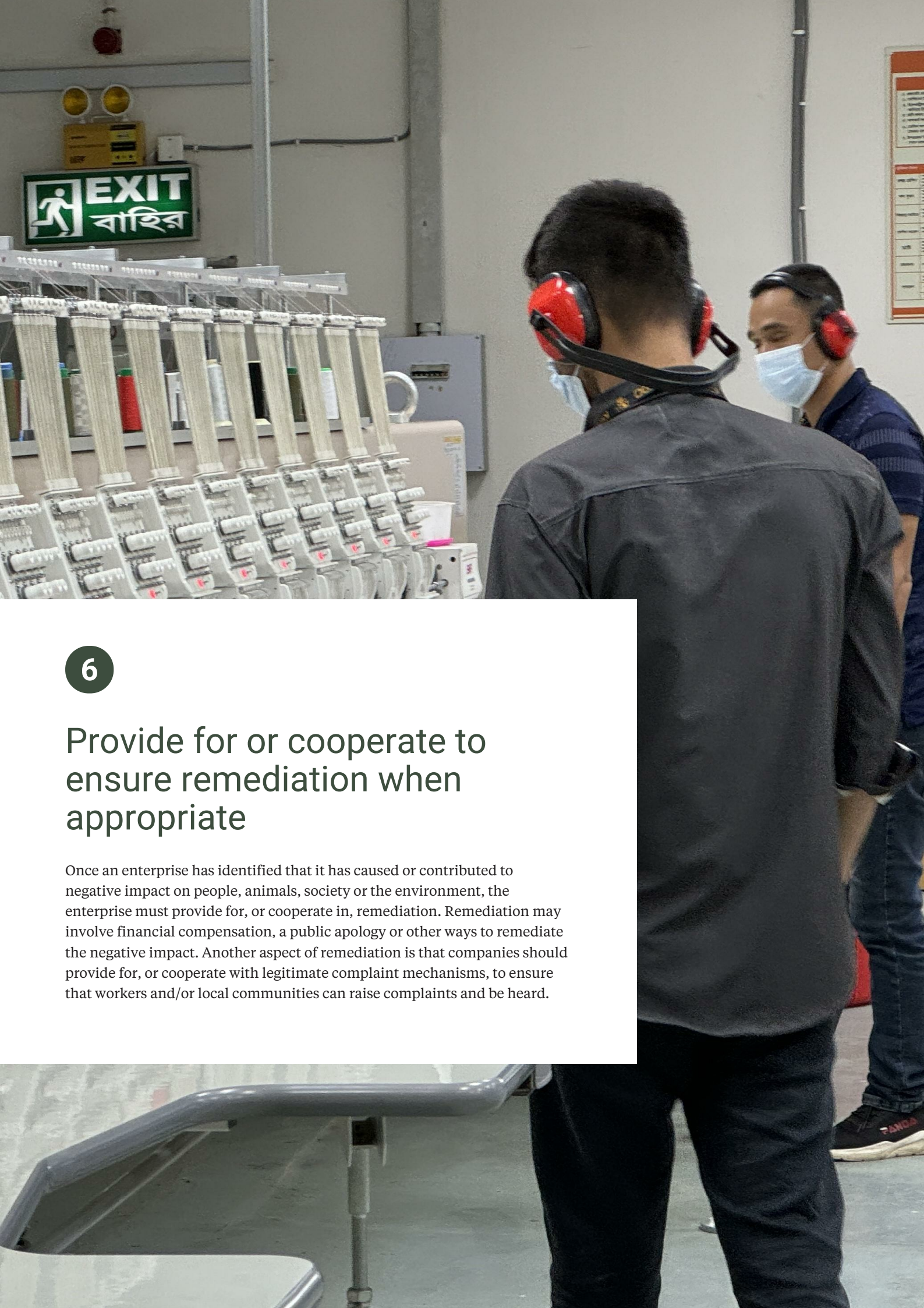
### **5.A.3 Describe the enterprise's routines for maintaining and answering external inquiries related to the information requirement imposed by the Transparency Act**

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

The link to our reporting is also easily accessible for our customers: <https://www.bergans.com/no/info/baerekraft/verdikjede>

We have implemented a new web page in 2023. All sustainability information has successfully been moved to the new platform, but it we are not a 100 % satisfied with the user friendliness. It will be a priority for 2024 to get the pages a bit more organized. This is also the case for our web pages in the other languages.

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



## 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

In our Policy for Sustainable Business Practice, we underline our own obligation on due diligence:

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

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

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

Going forward, we see the need to establish more clear routines and written guidelines for grievance mechanisms and remediation, and how to handle potential severe breaches that may occur. We do believe that we both have experience and the "right mind" in handling such issues today, but we lack the written routines. This we will implement during 2024.

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

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

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

The three brands have continued the dialogue - both with each other and the supplier during 2023. Since Fair Wear has left the county, they can no longer follow up the supplier with new visits. SMART Myanmar has taken over this work and has performed social audits, written corrective action plans, which again has been followed up by the two facilities of the supplier (the results previously described in this report), and follow-up audits have been carried out by SMART. Several workers and management from the two facilities has participated in several training sessions as well.

We have a worry, that even though corrective actions have been taken, the issues raised in the SMART audits are the same as have been raised in the previous reports from Fair Wear. We have again had a meeting with the German brands where this was discussed, and questions about uninformed sub-contracting was also raised, among other issues. In order to control these issues, we need to be able to travel and visit our suppliers. At the moment the Norwegian Government advice against all travel to Myanmar. Our plan for now is firstly to discuss this further with the German brands and representatives in EuroCham, and we will look more deeply into possibilities for visiting our suppliers. We will off course discuss this with our supplier as well.

## 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**

For our own employees in Bergans, we have an internal whistle-blower channel through the Simployer system.

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

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

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

Regarding the case of Myanmar, both our suppliers were Fair Wear audited before the coup. Fair Wear has left the country, but the helplines are still functioning for the time being. As we are not a Fair Wear member ourselves, we do not have direct access to complaints from the hotline. But, with our good cooperation with the two German brands who share our suppliers in Myanmar, we do receive the complaints through them. The MADE Myanmar program has a plan to establish and run a new grievance hotline, and Bergans' suppliers will be a part of this. Also, we are looking into collaborating with Sport Holding, establishing a common grievance system with them.

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