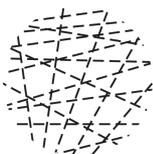




Due diligence for responsible business conduct with regards to people, animals, society and the environment

Account reporting year 2023

for Blåbær Production AS



BLÅBÆR

PRODUCTION

Ethical Trade Norway has assessed the report of Blåbær Production 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 UNGPs and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

Heidi Furustøl

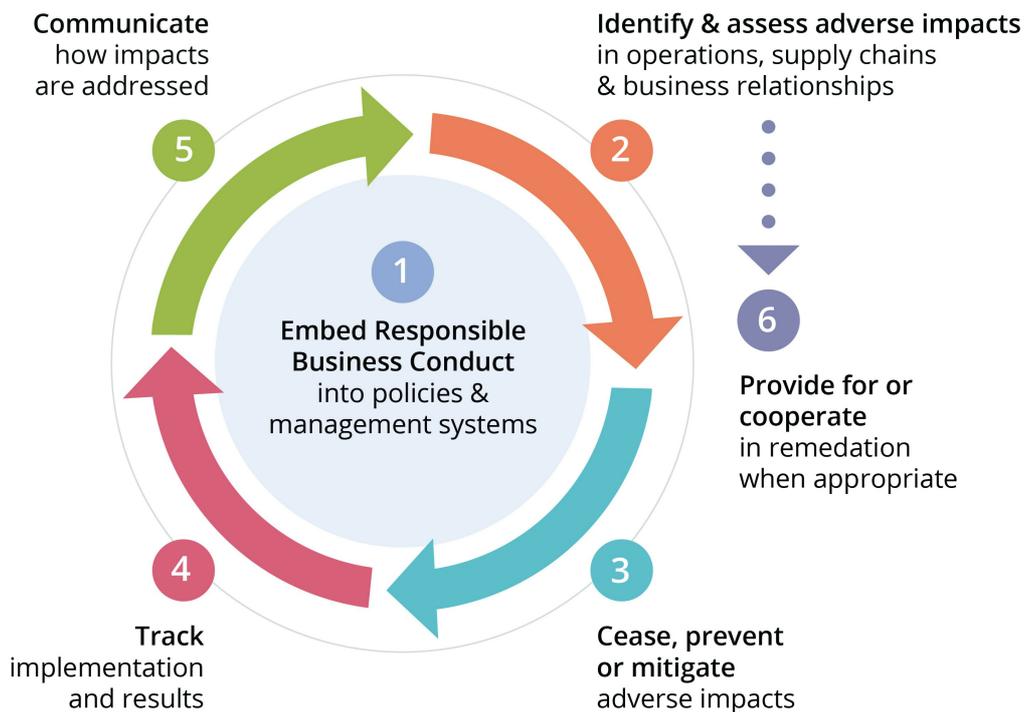
Executive Director

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

Blåbær Production is a Norwegian design and production company offering services within the textile and garment business. It is important for us to take responsibility for the products we bring into the market, and that these products comply with consumers actual need & requirements, have good functionality, high quality and a long lifetime.

Blåbær Production seek to take active part in sustainable production and to protect our environment. As a production company we acknowledge that we must strive to take even more responsibility for the entire life cycle of our products. Therefore, we must work targeted in all processes in our supply chain to achieve less footprints. This is the framework for our working process – from early ideas & through all development and production stages.

Furthermore, we aim purposefully for a fully integrated social responsibility in all our activities and entire supply chain until final product is delivered. Extended producer responsibility will require that we must take additional steps for a fair and responsible purchase practice, collaborate with relevant stakeholders and monitor our business model to ensure we live up to the responsibility we are given.

Since 2022 we have, together with approx. 40 European brands within textile and apparel sector, participated in the Learning and Implementation community with an aim to establish and implement a framework for Responsible Purchasing Practice. The working group is initiated by Fair Wear Foundation, Ethical Trading Initiative, Ethical Trade Norway, Better Work and Solidaridad.

" Our vision is to be a greener partner through innovative and solution oriented design, logistics and production. "

Rolf-Erik Lund
Managing director

Enterprise information and enterprise context

Key enterprise information

Enterprise name

Blåbær Production AS

Head office address

Østre Nesttunvegen 12

Main brands, products and services offered by the enterprise

Reflex; Design, development, production, logistics and CSR

Description of enterprise structure

Blåbær Production is a small company with four employees working in close collaboration on daily basis from the main office in Bergen, Norway. We work closely with clients in the textile industry to operate a wide range of services within the textile and garment business. Blåbær Production`s managing director and main owner is Rolf-Erik Lund.

Today our main customer is Barnas Hus Norge, for whom we are responsible of all design, development, production and logistics of their own brand Reflex. Reflex is a textile brand for kids age 0-14 years focusing on outerwear, mid-layer and base-layer garments for everyday play and wear. The brand is sold in the Norwegian market through Barnas Hus` own stores and web-shop. The brand is also available in one shop in Sweden.

Even though each of us have individual expertise within design, sustainability, logistics and purchasing, we are all involved in each project to ensure that all processes will have a holistic approach.

Turnover in reporting year (NOK)

7 766 000

Number of employees

4

Is the enterprise covered by the Transparency Act?

No

Major changes to the enterprise since last and current reporting period

Contact person for the report (name and title)

Isabel Fredriksen

Email for contact person for the report

isabel@blaber.no

Supply chain information

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

We are working on a wide range of products and styles and aim to keep a limited number of commercial suppliers and manufacturers. We strongly believe that direct business will provide us a better overview of our supply chain and increase our influence to make improvements and changes. In 2023 81% of our business was direct with manufacturers/producer, and 19% was business through agents. Numbers are based on purchase value and have been steady over last few years.

All designs, developments and sourcing are done from our office in Bergen.

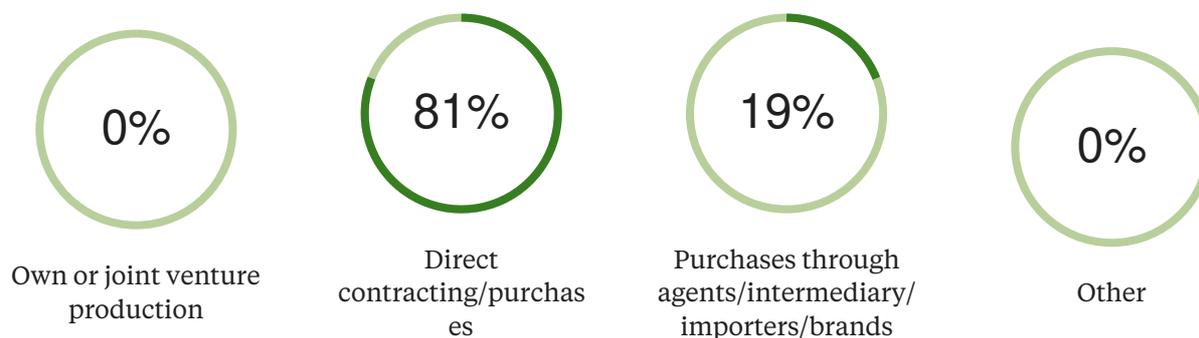
Number of suppliers with which the enterprise has had commercial relations in the reporting year

16

Comments

We had totally 16 suppliers of whom we had commercial relations during 2023. This is same number and same suppliers as recent years. We have though started preparations in 2023 to bring in some new suppliers for 2024.

Type of purchasing/ suppliers relationships



List of first tier suppliers (producers) by country



In 2023 we had in total 37 production units for all styles. E.g. our main supplier of outer wear uses 4 different production units.

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

3 674

Number of suppliers this overview is based on

37

Numbers of workers per supplier (calculated average)

100

Comments to number of workers

3674 workers from total 37 production units in first tier, and covers 100% of our total 16 commercial suppliers.

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

Wool	Argentina Australia China New Zealand Uruguay South Africa
Cotton	China India Pakistan Turkey
Polyester	China
Viscose	China
Natural rubber	China

Is the enterprise a supplier to the public sector?

No

Goals and progress

Process goals and progress for the reporting year

1

Goal: Continue to strengthen internal commitments by including due diligence and sustainable business practice in all meetings as well as continue training of employees.

Status: Ongoing. Due diligence and sustainable business practice has been integrated and had increased focus in our internal routines, business processes and meetings. Our employees working with purchasing, logistics and sustainability are regularly attending training, webinars and workshops to stay up to date on legislation, developments within the industry as well as to increase knowledge and build capacity within sustainable business practice and due diligence. During 2023 our design- and product development team have also attended some trainings, for example OECD online trainings and webinars focusing on responsible purchasing practices.

2

Goal: Start targeted work to calculate our carbon emissions. First step is scope 1 and 2 calculation. Training and webinar attendance which started during 2022 will continue in the coming year.

Status: Started. We have attended a variety of trainings during 2023. Some trainings have been very good, some have been slightly poor. We have learned that Scope 1 & 2 are not very difficult to manage for a small company as ours, and we have completed Scope 1 & 2 climate accounting in accordance with GHG protocol. In addition, we have started up work with Scope 3 as well. It`s important to acknowledge that climate accounting is a long journey, it`s time consuming, and require maturing to access data with good quality. We strongly believe our accounting will grow better as we experience and learn on our way. We have set targets for our greenhouse gas emissions in accordance with Paris agreement. Our Climate Action Roadmap is about to be finalized.

3

Goal: Implement Amfori BEPI (The Business Environmental Performance Initiative) to improve environmental performance in our supply chain. Training and courses will start end January 2023.

Status: Amfori have throughout 2023 worked to develop and improve the BEPI framework and platform. Our head of sustainability has started the online platform training and will continue to do further trainings during 2024. Suppliers were encouraged to attend introduction webinar for amfori BEPI during December 2023. Next step is to map status to detect the need for further capacity building and training during the coming year.

4

Goal: Amfori Academy – training for selected suppliers on relevant topics.

Status :

Ongoing. All first-tier suppliers are invited to join the Amfori sustainability platform as well as Amfori Academy which gives access to a wide range of courses and trainings. Some of our suppliers are regularly attending trainings, others have not yet started. Until now, this has been voluntary and not required from our side. For coming year, we will set some concrete goals for how many suppliers shall attend different kind of trainings in Amfori academy. This will be an important tool to ensure capacity building.

5

Goal :

Collaborate with Amnesty International to address two of our most salient issues which is discrimination in China and India.

Status :

As previous years, Amnesty have been a valuable resource and sparring partner for us during 2023. As most of our first-tier suppliers are based in China, we have in some cases asked for their advice concerning the issues of discrimination of Uyghurs. This is among our most salient risks, and we are aware that it needs an ongoing focus. Amnesty International have valuable competence and knowledge about China and human rights which is why we will continue to reach out to them whenever we need advice or input concerning this risk area.

6

Goal :

Start training of employees working with design and product development on responsible business conduct.

Status :

Started. Our employees working with design and product development have attended online trainings on responsible business conduct and purchasing practices. Additional relevant courses will be suggested for these employees in the coming year.

7

Goal :

Start investigate how to track and measure water management in our supply chain.

Status :

Started, but needs to be taken further for more focus and efforts. We acknowledge that water management and water use is a comprehensive issue in the textile industry in general as well as in our supply chain. We have learned that Amfori BEPI might be a useful tool for us to map the water usage and water management at our first-tier suppliers. However, the processes within our supply chain that require most water and therefore are connected to higher risk, happens further down in our supply chain. We acknowledge that collecting this info and data can be challenging. We need to address this to our first-tier suppliers to have their help and assistance to collect info and data from their sub-suppliers. This will be an ongoing project during 2024.

8

Goal :

Increase focus on circularity in our product development and design process.

Circularity in design and product development is becoming increasingly important and necessary for many reasons. We have tried to implement this to a greater extent to reduce our environmental impact as well as prepare for upcoming legislations.

Status :

During 2023 we have been invited – together with other relevant stakeholders - to join a research project. The purpose is to use bio-based materials more widely, and goal is to improve sustainability within textile value chain within Safe and Sustainable-by-Design (SSbD) framework.

9

Goal :

Start preparations for implementing “product passport” which has been suggested by EUs green economy plan. Consider the framework of “Ecodesign for Sustainable Product Regulation”

Status :

Unfortunately, we have not had been able to implement this during 2023. This must be prioritized during 2024. This will entail increasing principles of circularity in design and product development phase.

10

Goal :

Continue to integrate and implement principles from the working group “the Learning and Implementation Community on the Common Framework for Responsible Purchasing Practices” to our daily work. Involve all employees.

Status :

Ongoing. During 2023 we have had regular workshops together with other companies to take new steps towards progress in purchasing practices to develop solutions and share learnings. We have continued to implement the learnings and topics from the workshops to our purchasing and product development procedures. All employees have been involved in discussions and summaries of each topic.

During 2023 we also had the opportunity to invite two of our first-tier suppliers to participate in the working group community. Engaging suppliers in this way, and participating together along with other companies, suppliers and experts in the textile industry has been a new experience to us. As we were not sure whether our suppliers would feel comfortable in this kind of interaction in advance, we were positively surprised to see that this was valuable and successful. We will continue to involve these suppliers in further workshops during the coming year.

11

Goal :

Find suitable certification for our products made of natural rubber.

Status :

Completed. Natural rubber used for our rubber boots will be FSC-certified from AW24-collection and onwards. FSC (Forest Stewardship Council) has been chosen to ensure better traceability in rubber supply chain as well as to reduce the risks that are detected concerning rubber production. FSC is a certification we are familiar with from before, as this has been used for all hangtags from AW23-collection and onwards.

12

Goal :

Find suitable certification for our products made of viscose.

Status : Partly completed. Bamboo fibers used for our products containing bamboo viscose will be FSC-certified from AW24-collection and onwards. For some styles it was already implemented during 2023. FSC (Forest Stewardship Council) has been chosen to ensure better traceability for viscose supply chain as well as to reduce the risks that are detected. FSC is a certification we are familiar with from before, as this has been used for all hangtags from AW23-collection and onwards. Next steps regarding certification of bamboo viscose is to increase the traceability of the entire process and minimize the salient risks that are connected to further steps. We will also consider which other measures we can take to increase traceability and minimize risks.

13

Goal : Update our policy on Unauthorized Subcontracting.

Status : Completed. During March 2023 we updated our policy on Unauthorized Subcontracting and sent this out to all first-tier suppliers. It was agreed on and signed by all. The policy points out our requirement that production of Reflex goods can only be performed and finished by agreed units that have been confirmed from our company. As we strive for an increased and complete transparency in our supply chain, we believe that an update and reminder of this policy will emphasize this to our business partners.

Goal for coming years

1

Continue to strengthen internal commitments by including due diligence and sustainable business practice in all meetings as well as continue training of employees.

2

Continue collecting downstream data, and start collecting upstream data as well, to enable calculation of our total scope 3 emissions.

3

Further implement Amfori BEPI to improve environmental performance in our supply chain. Map risks based on self-assessment.

4

Amfori Academy: Select specific courses for our suppliers. 75% of our first-tier suppliers shall complete at least 1 online training, and 40% of our first-tier suppliers shall complete at least 2 online trainings.

5

Water management: Continue to collect data on water use and water management in our supply chain. First step is tier 1 & partly 2 where relevant. Continue internal capacity building.

6

Circularity: Increase our focus, knowledge and competence on circularity and circular principles in design and

product development.

7

Start preparations for implementing “product passport” which has been suggested by EUs green economy plan. Consider the framework of “Ecodesign for Sustainable Product Regulation”.

8

Continue to integrate and implement principles from the working group “the Learning and Implementation Community” on the Common Framework for Responsible Purchasing Practices to our daily work. Involve all employees as well as some selected suppliers.

9

Conduct a materiality assessment within end 2024. Attend training/courses to prepare for assessment during 2024.

10

Conduct a complete stakeholder analysis to enable better prioritization, decisions and target settings.

11

Make new and updated version of questionnaire to suppliers for mapping our purchasing practices.

12

Climate accounting; Measure our climate impact according to GHG protocol. Continue to collect data with relevance and as much accuracy as possible. Ensure we have comparable data. Finish our emission reduction roadmap.



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://blaber.no/wp-content/uploads/2022/02/Policy-Bla%CC%8Abaer-production-07.02.22.pdf>

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

Blåbær Production's policy for sustainable business practice is posted on our web page Social responsibility – BLÅBÆR PRODUCTION (blaber.no). Our overall commitments to social responsibility are also stated on the same page, along with information about our collaborations with other stakeholders. We want our partners, collaborators and customers to be confident that human rights, workers' rights, animal welfare and environmental aspects are considered and protected at all stages in our production through responsible purchasing and supplier management.

Our policy and Code Of Conduct are also communicated directly to our business partners as these are rooted in our daily practice and work.

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

Through our membership and collaboration with Ethical Trade Norway we have established a policy for sustainable business practice and a Code of Conduct that are our principles for responsible business conduct. These practices and principles set the foundation for our everyday work and purchasing practice. This applies all our employees and is integrated in our entire process from idea, planning, design, product development, purchasing and logistics.

In conjunction with appointing a new employee to our team in the end of 2022, we did a new review of our policy to make sure that all points are 100% clear to all employees. Our policy was not revised this year, but a reminder and clarification of selected points has been sent out to all first-tier suppliers. We believe that it is important to have an open dialogue with discussions to emphasize our values and make sure that they are understood, respected and followed up on.

The UN's sustainability development goals are central and leading for our due diligence work as well our collaboration with suppliers and business partners. In our strategic period 2021-2030 we have focused especially on Goal 8 (Decent Work & Economic Growth) and Goal 12 (Responsible consumption and production). This is based on our risk assessment and mapping of own supply chain and is furthermore reflected in our due diligence work and prioritized actions.

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?

Even though we are a small company with four employees only, our daily work includes a wide range of tasks and processes. Due diligence is integrated in all processes from ideas, planning, design, product development, purchasing practice and logistics. All four employees are involved and responsible in performing due diligence work. During 2021 we did however nominate one employee as head of sustainability to mainly prioritize sustainability and due diligence. Related tasks and daily follow-up are therefore done by head of sustainability and managing director.

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?

In a small company, many of our daily tasks and work will not be clearly divided or separated between each employee. Much of the time we work as a team and our tasks will often overlap and interfere. Due to this sustainable business practice and due diligence work is an important part of all employees' responsibilities and job descriptions. Our policy for sustainable business practice is an important precondition which must be accepted by all employees and is also attached to the employment contract.

Sustainable business is also a daily topic at our workplace and is essential throughout our working process and development as these values set the foundation for our work.

During our regular, internal meetings on sustainability and responsible business our policy, CoC and minimum requirements for suppliers are reviewed and discussed to make sure that all employees understand and agree.

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

Our managing director and head of sustainability are regularly attending a wide range of courses, webinars and workshops related to responsible business practice and due diligence. Ethical Trade Norway, The Chemicals Group RISE, Chemsec and Amfori are among the valuable networks which provide us with important resources and input. These networks help us to keep up to date and enables a good environment for discussing and sharing experiences with other companies within our industry. Additionally, we are also actively seeking information from other stakeholders. Some examples of organisations with useful information and tools are Amnesty International, IDSN, The Norwegian Uyghur Committee and The Norwegian Environment Agency.

During 2023 we have also attended several webinars related to GHG emissions and climate accounting. There is no doubt these are complex topics and we sometimes find ourselves having more questions than answers when training sessions are done. Nevertheless, we have gained some important knowledge, connected with stakeholders and collected lots of valuable data during 2023. We will continue training in 2024.

As we are a small team, we have also decided to make sure that our employees working with design and product development will attend courses on responsible business conduct provided by OECD. During 2022 our managing director and head of sustainability joined a multi-stakeholder initiative called Learning and Implementation Community (LIC). The purpose of this working group is to collaborate for textile and garment companies to collaborate and share experiences on how to improve Responsible Purchasing Practices (RPP). The main lessons and outcomes have regularly been communicated to our colleagues working with design and product development as these will affect our daily work internally as well as towards our suppliers and business partners.

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?

Our commitments are anchored through our memberships in Ethical Trade Norway, RISE Chemicals Group, Amfori, as well as through BLÅBÆR's core company values. Our CSR goals focus on both internal practices as well as external involving suppliers and business partners. We have set short-term and long-term goals to have a clear and defined framework for our sustainability practice. We have regularly internal meetings to track the progress and status and make sure that all employees are involved and receive needed information about updates.

Tracking and monitoring our goals and progress has shown to be important to drive and motivate for improvements in our team. After integrating more targeted work with due diligence and also implementing KPIs, focus on sustainability has become more naturally embedded with the process of product development and purchasing in our company.

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?

Our managing director has the overall and executive responsibility for our company's strategies and plans for sustainable business practice. These plans are however developed and matured in close collaboration with all employees, and responsibilities are defined through each job description. Every year, our action plan is updated with concrete goals, deadlines and distribution of responsibilities. As we are a small team many tasks and roles interfere with each other, but there are some individual adjustments. One employee is for example nominated to attend the main responsibility of sustainability work.

During 2023 we have had regular internal meetings to track and update our work on sustainability work. Meetings are held every quarter, and all employees attend. During these meetings we have discussed our progress, challenges and further plans.

We have also implemented an internal routine for due diligence to make sure that all steps are integrated in our daily work and that responsibility and work tasks are clearly defined.

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?

Responsible business is an essential part of all our communication and collaborations from development stage and design to final delivery and logistics.

Before any collaboration, new suppliers must accept our Policy and CoC as well as fulfil the minimum criteria for collaboration.

During 2023 we have for the first time in several years started new collaboration with two first-tier suppliers. During this process we have used BSCI audits and certifications to evaluate and consider whether new suppliers are according to our standards. Our minimum requirements for suppliers are also used as important tool and evaluation criteria.

All suppliers are expected to make systematic and targeted efforts to comply with BLÅBÆR Productions' Code of Conduct (CoC). The content and framework in our CoC are discussed frequently with our suppliers during meetings and negotiations as well as during daily work and communication. As part of implementing our values in supply chain, we also expect our first-tier suppliers to communicate and share our CoC to all sub-suppliers involved with our production. Updated chemical regulations are sent to all suppliers two times per year. Revised regulations and limit values are discussed during meetings and continuous dialogue with suppliers. Furthermore, we support each supplier with customized instructions and chemical guidance with relevance for their specific production and product groups. Collecting and following up on environmental certificates, checking validity and updates, is done continuously. Revised and updated CoC and Policy was sent out during spring 2022 and is also signed and accepted by all suppliers.

We have for several years been prioritizing suppliers that work targeted and actively for social and environmental improvements. We think that the most effective and important incentives for suppliers that are improving, are long term relationships and increased order quantities. As we regularly communicate to our suppliers, sustainable improvements are among our most important criteria for collaborations, but also when planning and evaluating upcoming production, order placement and quantity. We are clear towards our suppliers regarding our requirements and expectations of social and environmental improvements. If these are not met, a collaboration is not sustainable and thus not taken further. Similarly, suppliers who show improvements and progress, will be prioritized for further order placement and collaboration.

Furthermore, we always see it as fair and reasonable to offer guidance, resources and assistance to suppliers to be able to reach our requirements and demands regarding social and environmental improvements. Through our memberships in Ethical Trade, Amfori and RISE Chemicals Group we have access to valuable resources which we share with our suppliers. For example, when requiring that suppliers set up a worker representation, we share tools and guidelines with them. Our updated chemical requirements that are sent out two times per year, is always sent along with an updated chemical guidance with relevant limit values, test methods and legislation for different countries.

We believe that by encouraging and guiding our suppliers to make social and environmental progress, they will also be more competitive which will benefit their business. This in itself is an important incentive, with both short- and long-time perspective. This focus and prioritization from our side is also something that we see as part our responsibility when involved with production of textile and garments. All actors in the industry should contribute to push for increased sustainable and responsible business.

We acknowledge our responsibility when it comes to using our leverage over business relationships to address impacts and this is an additional argument for prioritizing long-term business relations.

Indicator

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



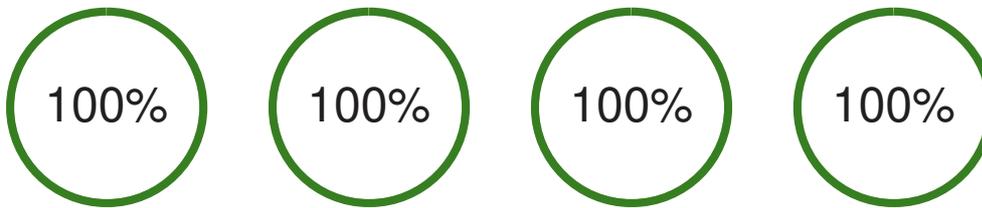
2023

2022

2021

Since year 2018 100% of all commercial suppliers have received, signed and accepted Policy and COC.

Chemical contract



2023

2022

2021

2020

Since early 2020 100% of all commercial suppliers have received, signed and accepted our Chemical Contract and confirmed that their production is in accordance with regulations & guidelines.

Percentage of staff in contact with suppliers familiar with the Supplier Code of Conduct and Policy for own business



2023

2022

2021

Percentage of staff reached through training/capacity building on responsible purchasing practice



2023

2022

2021

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?

An important value for us is to strive for stable and long-term relations with our suppliers and business partners. During the last 4 years we have not brought in any new first-tier suppliers in our portfolio. This is done intentionally to build a good foundation for mutual collaboration and trust, as well as to increase our possibility to have positive influence in our supply chain.

We have however had a few suppliers that have not led up to our expectations regarding continuous improvements when it comes to transparency and social and environmental responsibility. After meeting some new and interesting suppliers on some business travels during 2022 and 2023, we have started collaboration and business with two new first-tier suppliers. (As these suppliers have not delivered any goods during 2023, they are not considered commercial business partners this year. First orders were placed to them for SS24 and AW24.)

Before starting business, we followed the routines and procedures we have set for evaluating new business partners. This includes fulfilment of our Minimum requirements and CoC which is our Guidelines for suppliers. We focus on full transparency and openness, good relations to workers and employees, zero tolerance for forced labour, child labour and discrimination, responsible handling of waste, restrictive use of chemicals, respect for nature and local environment, animal welfare and anti-corruption. We also reviewed audit reports and certifications such as BSCI, SEDEX, ISO etc to get an impression of the relevant performance areas that are important to us. Even though we are still in an early phase of this process, we have so far had positive experiences with our new business partners. They seem to have a high competence level, but also seem eager to develop and learn. This is important to us, as it is one of our most important criteria and foundation for building long term business and collaboration.

Climate accounting has been on our radar for some time. We hoped to have our first climate report ready for 2022, but experienced some problems and difficulties which made this too hard for us. Our previous software supplier did not have the knowledge nor support to guide us in the early stages, and their cost-based calculation and methodology did not provide trustworthy data. As a result, we needed to start from scratch and find new software/supplier matching our needs and requirements. The first step was to build up better knowledge in our own organization.

We ended up with Emisoft`s GHG123 cloud-based software (SaaS) which delivers accurate and verifiable climate accounts in accordance with GHG protocol.

Before the deadline of this report, we were able to finish our Climate report of 2023. The climate report includes all emissions in Scope 1, 2 and 3 relevant for our company. The report does not include emissions in the supply chain related to the production and manufacturing processes of Reflex bulk goods as we are not the importer, buyer or seller of the goods. However, we have included all emission related to all bulk transport (downstream), transport and manufacturing of samples and all activities in our organization. We have collected data and made the report honestly and conscientiously with the aim of establishing a correct base year for further measurements. As this is our first reporting year, we are humble and open that errors or inaccuracies may have occurred. Correct data and reports are considered essential in our further work to make decisions to reduce our emissions. The 2023 report will be used as the base year for our company when finalizing our Climate Action Roadmap with targets for reductions of our greenhouse gas emissions in accordance with Paris agreement.

During August/September 2023 two of our colleagues conducted the first business trip to China since autumn 2019. This trip gave us some lessons and experiences, and some things had definitely changed during the last years. Years of pandemic and lockdown as well as extensive, worldwide events have had some effects on the culture and politics in China. We experience an increased openness, trust and transparency from our Chinese suppliers, which we hope and believe may enable more honest communication. Hopefully this could mean that suppliers will have a lower threshold to reach out to us with any issues or challenges.

Many suppliers have also come to visit us in Norway this year which has led to quite frequent face to face meetings with different suppliers. It has been nice to meet face to face with suppliers, as this enables some discussions and possibilities for common product development that is not doable in the same way over video meetings.

During 2023 we have step by step become more familiar with the Amfori sustainability platform which was new

to us in 2022. The possibility to collect, review and monitor BSCI-reports has made our work with follow-up of social compliance more structured. When receiving an updated report we have followed up the performance areas with need for improvements, via email and/or video meetings. Our main focus areas during 2023 have been wages and overtime as these are the issues that most frequently needs to be addressed and improved, particularly for our suppliers in China. In the case of wages we have fortunately seen some concrete improvements after addressing and discussing. Overtime is more challenging as this is particularly a cultural and structural issue in China. Even though this is among our most challenging issue regarding working conditions in China, we can in some extent see increased understanding and awareness among suppliers. We think this is an important first step to see improvements, but acknowledge that this must continue to have our focus and attention in the future.

Our participation in the LIC working group for responsible purchasing practices has continued this year as well. The working group have had regular meetings focusing on different topics within the framework of responsible purchasing practices. We were also encouraged and enabled to invite two of our suppliers to participate in a few meetings to work together with us and other garment brands for some common discussions and workshops on responsible purchasing practices. The main purpose has been to move towards practical solutions for improving purchasing practices (e.g. communication, partnership and joint problem solving; collaborative production planning, critical path management, lead times and sampling and payment terms), in order to give scope for improved working conditions in factories. This has been a very positive and educational experience so far. We were a bit curious about this before we started, and were not sure how our suppliers would react to being part of a bigger group consisting of both brands and suppliers, but this has exceeded our expectations so far. We think it is very valuable to be a part of this kind of community together with our suppliers and we look forward to continuing this journey during 2024 to gain new experiences.



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
Child Labour (& Forced Labour): Related to natural rubber, viscose and footwear industry in China. Related to cotton industry in both India & China. Also related to recycling of plastic for recycled polyester.	Forced labour Child labour Discrimination Harsh and inhumane treatment Marginalized populations	China India
Labour conditions: Related to all countries in our supply chain	Harsh and inhumane treatment Occupational Health and safety Wages Working hours	China India South Korea Sri Lanka Turkey
Discrimination: Related to all countries in our supply chain, but are linked to higher risks in India & China	Forced labour Discrimination Harsh and inhumane treatment Working hours Regular employment Marginalized populations	China India South Korea Sri Lanka Turkey
Water Usage Cotton industry: Mainly related to business in India	Environment Water	India

<p>Hazard chemical use: Related to all countries in our supply chain</p>	<p>Occupational Health and safety Environment Emission Waste</p>	<p>China India South Korea Sri Lanka Turkey</p>
<p>Environmental impact: Related to all countries in our supply chain</p>	<p>Environment Emission Greenhouse gas emission Energy Waste Water Use of materials</p>	<p>China India South Korea Sri Lanka Turkey</p>
<p>Corruption: Related to all countries in our supply chain, but are linked to higher risk in India & China</p>	<p>Corruption</p>	<p>China India South Korea Sri Lanka Turkey</p>

Salient issues in above table shows our priority focus areas, based on conducted risk assessment. These will be followed up closely and we will do our best efforts to improve situation. Above risks are listed in random order as we consider all to be important in different ways. We will target each point in best possible manner and strive for improvements where we have a possibility to influence and affect.

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.

In order to map and identify our company's risks, a risk assessment is done continuously. This is updated at least once a year. Mapping is based on reports on relevant countries, industries and product groups. Our risk assessment is also based on knowledge and input from webinars, courses and resources, third party audits, certifications, suppliers' self-assessment as well as our own experience and conversations with suppliers. In case of any significant change related to our production, production countries or other factors that may affect our activity, the risk mapping is updated accordingly in order to implement new efforts or preventive actions. Head of sustainability and managing director has the main responsibility for conducting and updating our risk assessment, but this is also communicated to all employees to make sure that the due diligence work is based on updated assessments.

The prioritized risks in our risk assessment are selected and prioritized based on our evaluation of where we as a business may have the most and severe impact. We consider our most salient risks to be connected to our supply chains in our production countries China, India, Sri Lanka, Turkey and South Korea, and this is also where we have the ability to actually have an impact.

Considering our company's total activity and business, there are some aspects that are not prioritized in our risk assessment. As example: purchases of freight services, business travels and our daily office tasks are not prioritized, as we consider the risks and possible negative affects connected to these purchases less severe. Furthermore, our possible impact will naturally be far more limited than the production we are directly linked to. As we have recently started the work to integrate climate accounting for our company to track our emissions, we have not focused on our indirect impact until now. As our climate accounting become more integrated and complete in the future, we will have the possibility to consider how to integrate these in the risk assessment and prioritization as well.

Our risk assessments are determined and based on:

- Risk mapping by country and product: To be able to do a thorough risk mapping which is customized for our business and activity, we have used a range of tools from Amfori and Ethical trade Norway to gather and collect relevant data and information. We include a wide range of various resources from NGO's, NPO's and labour unions such as international reports, statistics, official indexes, official regulations and guidelines from authorities which is regularly updated.
- Perspectives and information from webinars and online events are also included and considered continuously.
- Third party audits, certifications and self-assessment reports.
- Video meetings and discussions with suppliers.
- Video meetings with stakeholders.
- Climate accounting in accordance with GHG protocol. Includes Scope 1 & 2 and all major emission and categories in Scope 3 related directly to Blåbær Production.
- Our experience.
- Stakeholder dialogue: We initiate dialogue with relevant stakeholders in all cases where this is relevant. For several of our salient risks, this has been the case. For example, when addressing discrimination in China and India we see the value of communicating with organizations and people who have perspectives, insights and updated information that is relevant and useful for our risk assessment. This dialogue will enable discussion of possible dilemmas and challenges when approaching and addressing the risks in our supply chain. They might also function critical voices that will push and motivate us for continuous improvement and action which is needed.
- Reducing and restricting the use of chemicals is also an important focus area for us where some stakeholders have been involved as well. The networks RISE Chemicals Group, Chemsec and Substitutionscentrum are highly valuable for us when approaching risks regarding chemical use in our supply chain. Their tools and guidance enable us to stay up to date on new research, guidelines and upcoming legislations related to chemical substances.
- Amfori, Ethical Trade Norway, Amnesty International, IDSN, and The Norwegian Uyghur Committee are among other stakeholders we have involved and/or consulted.

We seldom bring in new manufacturers to our supply chain. We always seek to form long term relations with suppliers and business partners who share our values. It is also important that our suppliers focus on and prioritize decent working conditions and environmental improvements in their supply chain. In cases where we meet interesting suppliers that might be potential new partners, we collect certificates, audit reports and other relevant information to evaluate. Our experience from these cases is in general that our existing suppliers holds a high level when it comes to social and environmental performance. Collecting data for comparison and perspectives gives us valuable insight and is important to stay up to date on the development within the industry and among suppliers.

Through long term business relations, and a limited number of suppliers, we have achieved full overview in first

tier. This has been a comprehensive and ongoing project which has been extended to include second tier. A complete, transparent and detailed overview of our supply chain is our long-term goal. The supply chains in the textile and footwear industry are though long and complex, which makes it challenging to achieve a complete overview. From our experience, it gets far more challenging to get detailed and reliable information further down in the supply chain. Even though factory certifications, certified materials, audits, transaction certificates and certificates of origin will reduce the risks connected to these tiers, we must acknowledge that we need to work actively to gain a better overview of our complete supply chain in the coming years. A particular focus area during 2024 will be, as in 2023, viscose and rubber. These product groups are linked to risks that must be addressed, and we acknowledge that our overview here is not satisfactory. Until now, it has been challenging to receive sufficient information from our suppliers to achieve complete overview and transparency. We will during the coming year collect more information and select suitable certifications which will be our first steps to address these issues. In general, we will continue the work to increase the number of certified materials and products as we see this as an important tool to reduce risks.

Indicator

Percentage of suppliers in high risk supply chains that have been mapped



Percentage in table above based on total purchase value

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.

- Animal Welfare and wool fibers:

Animal welfare is an ongoing focus area and has also been prioritized during the previous year. It is clearly stated in our CoC that measures should be taken to minimize any negative impact on the welfare of livestock and working animals. We do not accept wool from sheep who have been subject to mulesing, and we require that all our suppliers follow the same practice. During 2021 we launched RWS-certified yarn and products to secure stricter standards and requirements throughout the supply chain. This was prioritized further in 2022 and 2023, but several changes have since then been made by the certification owner which has complicated the process of communicating our choice of certified wool to consumers. We have been purchasing certified wool to reduce our risks and to ensure traceability and responsibility as far as possible. We have collected transaction certificates to ensure purchased wool is controlled and legitimized by a third part.

- Worker Representation and grievance mechanisms:

Worker Representation and functional grievance mechanisms are among our ongoing focus areas in dialogue with first tier suppliers. As previously, we have continued to stress this issue via email and video meetings. Information and guidelines on how to establish have been sent out to suppliers that have had the need for further guidance. These are also among the performance areas that are monitored and followed up during BSCI

audits.

Several suppliers have been sharing details regarding worker representation, meeting summaries and plans for further progress. Even though we get the impression that our suppliers are more aware of the importance of regularly and good communication between workers and management, we acknowledge that we have limited possibilities to control whether these are well-functional. The risk of “ghost union” is highly relevant in China and India and must be taken into consideration.

It is correspondingly difficult to ensure that Grievance mechanisms are established in a well-functioning way that takes both employees and local communities into account. We aim to take part in Amforis project “Speak for change” which targets grievance mechanisms and access to remedy. This new project related to grievance mechanism will provide a collaborative tool helping us address risks in supply chain and comply with legislations.

- Insurances:

We still experience that some factories do not have a satisfactory insurance for all their employees. What is repeated is that a certain proportion of workers are not covered. Laws and regulations regarding insurance for employees in China are complicated and vary from rural areas to country side. Furthermore, the retirement age in China is low, and hence many workers in textile factories are above retirement age. Other insurance regulations and laws apply for these workers, which further complicates the picture and can make metrics and statistics more complicated to analyse.

During 2023 we have continued to follow up on insurances in China. For all order placements we have required suppliers to make sure that insurance is offered to all employees/workers. Our minimum requirement is that insurances must cover any cases of injury and/or illness which is in any way related to work.

- Transparency:

Our focus and demands regarding transparency have been naturally increasing since 2021. The Norwegian Transparency Act which was set into force 01.07.22 has in many ways been helpful to communicate our demands to business partners. Even though this has been included in our Code of Conduct and communicated to all suppliers since 2021, a few suppliers have been less willing to provide full transparency regarding their sub-suppliers. This has though been improved step by step, and transparency is an integrated part of collaboration with all suppliers. Our supply chain is however more complex and challenging than we first assumed, which means that full transparency is something which needs our on-going focus and targeting. During our updated mapping of purchasing practices conducted in 2022, suppliers stated that communicating increased demands for transparency and improvements to their sub-suppliers is among their main challenges. They also reported that increasing demands are time-consuming tasks which requires significantly more work.

- Fire Security:

Fire security is still among our ongoing focus areas. Several suppliers continue to share photos and training videos from fire drills at factories. Some factories do internal training and drilling, while others contact local fire department for assistance with drills and professional competence. Pictures and updates are sent to us regularly by email by some suppliers. For majority of our suppliers which regularly go through a BSCI-audit, fire security is covered and followed up by the auditor.

- Overtime:

Experience from most factories show that too much overtime work occurs during peak seasons. Factory management explain overtime with dynamic fluctuations regarding need of workers, and that a certain amount of overtime will always be needed during main peak. To employ enough workers to avoid overtime in peak season will have too heavy costs and may lead to financial loss and bankruptcy. Add seasonal workers during peak season is an option but may lead to unskilled workers and/or new issues occurring.

Reviewed reports and audits show workers do receive correct overtime payment, and many workers see this added payment as an advantage. Our policy, which does not allow un-authorized subcontracting may increase need of overtime as well. We do though believe that the potential risks related to UAS are bigger. Several years ago, we introduced early order placements, minimum 6 months prior to shipments, and have received very positive feedback from our suppliers for the many advantages this brings on. We work continuously to improve to increase lead times even further.

During our updated mapping of purchasing practices conducted last year, we detected that many suppliers had experienced limited or no improvements in length of lead times regarding from their other customers (meaning time from placed order to requested delivery date). As longer lead-times and early order-placement has been one of our main focus areas during the last years, we were slightly surprised that this was still the case. As we know

that predictability, stability and a long-term perspective is important to reduce workers' overtime at our suppliers' factories, we do however hope that this will improve in the coming years as more focus and regulations will be put into force.

- Subcontracting:

As explained above, subcontracting and overtime is somehow related. Subcontracting is common in China, and not necessarily a problem. Problem occurs when subcontracting is unauthorized, and brands/buyers thus lack correct and accurate overview of their production. This will directly conflict with the demand for transparency. Unauthorized subcontracting is not allowed in our supply chain.

January 2023 we were contacted by a third party and made aware that parts of our production took place in factory that was not authorized. We immediately contacted our counterpart/supplier. Within short time we learned that some of our production had been sent to a nearby factory owned by same management as the authorized factory. We had several meetings with our supplier and clearly emphasized that this incident and situation is not acceptable. Production of our styles and products can only be conducted at factories, sites and branches approved and authorized from our side. We still work with this supplier as we always strive for the long-term-target. The unauthorized factory conducted third party audit during 2023, have been visited by us as well and is now fully authorized.

Despite above case we consider unauthorized subcontracting in our supply chain as a small risk due to our very early order placements and a clear policy. This is nevertheless a topic which require on-going monitoring and follow-up, and which can be hard to uncover.

During March 2023 we updated our policy on Unauthorized Subcontracting and sent out to all first-tier suppliers. Policy was agreed on and signed by all. The policy points out our requirement that production of Reflex goods can only be performed and finished by agreed units that have been confirmed from our company. As we strive for an increased and complete transparency in our supply chain, we believe that an update and reminder of this policy will emphasize this to our business partners.

- Product specifications:

Studies on purchasing practices and its effect on the supply chain has shown that incorrect or deficient product specifications are among the main contributors to poor working conditions and power imbalance between purchasing companies and producers. We want to be as accurate and clear as possible towards our suppliers to avoid unnecessary misunderstandings and insecurities.

Accurate and detailed product specifications have been among the topics and focus areas that has come up in the LIC working group. During 2023 we have changed and improved the set up and layout of our product specifications. When implementing this change, we requested feedback from suppliers to better understand their needs and requests for best possible set up. We believe that this has had positive influence on collaboration and communication and may have reduced misunderstandings, extra work and excessive number of samples.

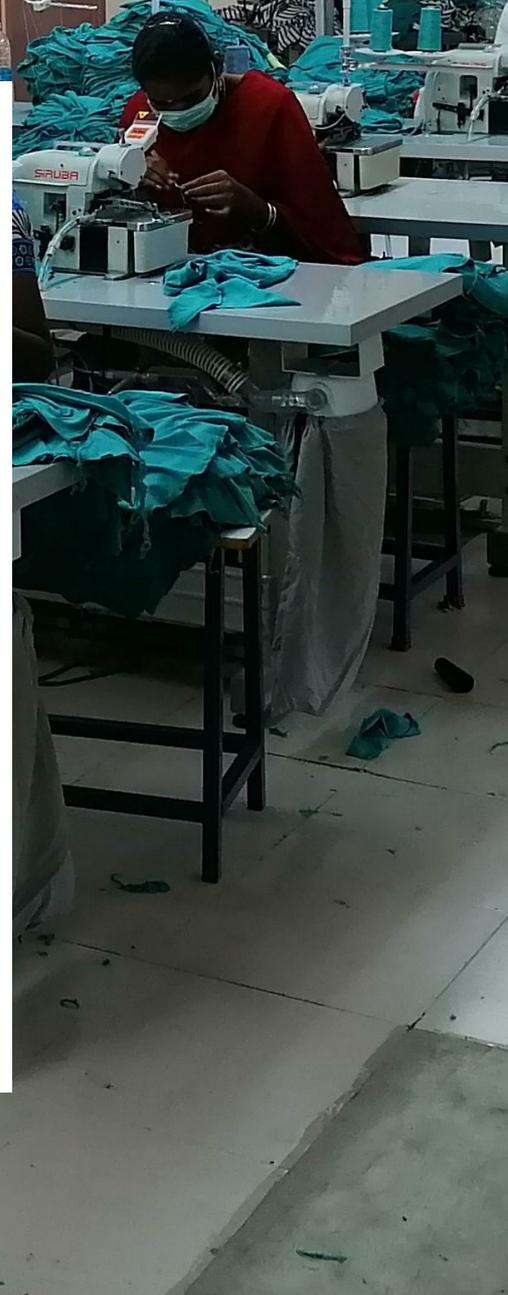


3

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

<p>Salient issue</p>	<p>Child Labour (& Forced Labour): Related to natural rubber, viscose and footwear industry in China. Related to cotton industry in both India & China. Also related to recycling of plastic for recycled polyester.</p>
<p>Goal :</p>	<p>No occurrence of child labour or forced labour in our supply chain. Demand for complete transparency in our supply chain. Acceptance and understanding of our CoC from first-tier suppliers to gain improved impact.</p>
	<p>The natural rubber industry has been highly associated with child labour. China is among the five largest natural rubber producers in the world (based on numbers from 2020) and their annual production has increased massively since 1960. Despite that employment of children under the age of 16 is illegal under Chinese law, we must acknowledge and address this risk.</p> <p>According to the U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour, cotton may be produced with forced and child labour in India. Audits by FWF found signs of both forced labour and child labour in audited factories in Tirupur surroundings. In the clothing and textile production industry in Southern India (Tamil Nadu region), forced labour in the form of the "Sumangali System" is well known. Investigations show that children under 14 years still accounts for nearly 25% of the total workforce in cotton seeds farms in India.</p> <p>Victims are mostly Dalits (outcaste) girls who are extra vulnerable to exploitation. Our supply chain mapping for India shows that there is no child labour or forced labour in our supply chain. Certifications, audits and tracability of materials will minimize these risks. We do though recognize that a complete overview here is difficult and complex due to limited opportunity to monitor all operations all the way back to cotton farming. Furthermore, we know that cotton production and supply chains in Indian garment industry are challenging and connected to high risks.</p> <p>During 2022 further reports and disclosures have detected extensive abuse and exploitation of the Uighur population and other Muslim and Turkish</p>

Status :

minority communities in the Xinjiang Uyghur Autonomous Region and elsewhere in China. Previously this has particularly been associated with cotton industries, but recent reports indicate that the same risks can be associated with viscose.

There is reason to believe that forced labour occurs in the production of footwear in China. Some reports have disclosed use threats of physical violence, forcible drug intake, physical and sexual abuse, and torture to force detainees to work in adjacent or off-site factories or worksites producing footwear.

Based on our investigations, regular follow-up and experience we have good reason to believe that neither child labour or forced labour is existent in our supply chain in China. This includes all manufacturers, authorized sub-contractors, suppliers and sub-suppliers.

The request and demand for recycled materials, especially polyester, has increased drastically during the last years. When we request that all polyester for our outerwear shall be recycled, we face some additional risk areas in our supply chain. There is a risk that the need for collecting plastic bottles from landfills may employ vulnerable groups who may be subject to poor working conditions, low wages and unfair treatment. Some reports have disclosed children collecting plastic bottles for recycling in Turkey and Bangladesh. This is a risk we must take seriously and work to prevent and reduce. When changing our request from virgin polyester to recycled polyester, we contribute to a drastic increase of demand. If this leads to a need for cheap labour, it might put vulnerable groups at risk.

Our information is based on discussions with factories, studies of audit reports, certificates made by third party companies and supported by information from NGO`s. However, we realize that state-sponsored forced labour is intensifying under the China government`s mass detention and political indoctrination campaign against Muslim minorities in the Xinjiang Uyghur Autonomous Region, and it is possible that hundreds of thousands of workers are being subjected to forced labour as part of this effort, and may also apply other industries in the apparel supply chain.

Goals in reporting year :

Natural rubber: We see the need to adopt further measures to increase our traceability of natural rubber. Therefore, we will select and implement a certification requirement for our products made with natural rubber during 2023.

Cotton in India: Proceed with GOTS-certification for all cotton products from India. Continue to require and control transaction certificates.

Footwear: Continue mapping of footwear manufacturers in general and require more strict improvements during 2023 to ensure improved labour rights.

Cotton and viscose in China: We will proceed with certification requirement for our cotton products, as well as our demand for cotton origin outside of China. We will address viscose further in the coming year and will during 2023 select and implement a certification requirement for all viscose products.

Recycling of plastic for recycled polyester: This salient issue was not included in previous years' risk assessment and has not until recent evaluation been detected and considered as a risk. Hence, we did not set any goals for 2023.

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

We have during 2023 implemented FSC-certification for natural rubber used in our rubber boots.

GOTS-certification is still required for majority of our cotton products. TC's are checked and controlled continuously. We have demanded that all cotton shall be imported from outside China.

Our control and overview of the footwear supply chain has improved during the past year as we are now working more directly with factories and less through agents.

We have also implemented FSC-certification for bamboo fibers. This has already been introduced for some styles AW23, and the amount will further increase for SS24 and AW24.

We have already implemented a request that all recycled material used in our production shall be certified, preferably with GRS. Transaction certificates are required, and these must contain needed info and references to verify that recycled materials are purchased specifically for our products, for which season and particular styles. Global Recycled Standards have clear social requirements which strictly forbids any forced, bonded, indentured and prison labour as well as child labour from the recycling stage. There will however still be a risk that violations happen at collecting stage. We have reasons to believe that this risk is lower in China, where majority of our recycled materials is collected.

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

Proceed with new requirements for FSC-certification for natural rubber and bamboo fibers.

Continue with GOTS-certification for cotton products, strive to further increase amount of certified cotton. Prohibit cotton which origins from China and/or other conflict areas. Increase traceability and transparency of the footwear supply chain and viscose supply chain.

By July 2024: All first-tier suppliers shall have their own official policy and guidelines for sustainable and ethical business, these shall include a specific point on anti-discrimination and anti-harassment.

Request complete transparency and traceability in our supply chain. Have clear guidelines and policy with zero-tolerance for any form of forced labour and child labour.

Contact Textile Exchange to learn how they address the risks of forced or child labour occurring in collecting of plastic. What is defined as their “recycling stage”, and how is collecting stage defined and addressed? More information must be collected to do a more detailed risk assessment.

Salient issue	Labour conditions: Related to all countries in our supply chain
Goal :	Improve labour conditions in our supply chain. Ensure safe and good working environments, addressing workers' rights, decent wages, insurances and equal payment.
Status :	<p>According to the ITUC Global Rights Index report from 2023, China, India and Turkey are among the world's most difficult countries for workers concerning trade union rights.</p> <p>They all score a 5 on the ITUC Index for freedom of association and workers' rights, which stands for "no guarantee of rights". Sri Lanka has a rating of 4 which indicates "systematic violations of rights".</p> <p>Working conditions in the textile supply chain have traditionally been proven to be below decent and acceptable standards, and several reports have detected these kinds of conditions in most countries in our supply chain. The lack of trade unions and violations of collective bargaining and the right to strike further intensifies and complicates the situation. Careful due diligence is therefore needed.</p>
Goals in reporting year :	Through our membership in Amfori we will follow up our suppliers' continuous improvements within these performance areas. We will continue our focus and requirements regarding living wage, insurances, working hours, worker representation and grievance mechanism.

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

During 2023 we have used the Amfori sustainability platform to monitor and follow up our first-tier suppliers on social compliance. BSCI-reports have been our main entry points for continuous discussions and follow-up meetings. Even though we acknowledge the limitations and challenges related to social audits, we do see these as useful tools to collect data and metrics in a systematical way which enables overview and a basis of comparison. Living wages and overtime has been re-occurring challenges for our Chinese suppliers.

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

In order to achieve improvements of labour conditions in our supply chain, we must continue to follow up on the focus areas which have been proven to have some insufficiencies during 2023. Living wages, insurances, overtime and worker representation will continue to have our focus and attention.

Salient issue	Discrimination: Related to all countries in our supply chain, but are linked to higher risks in India & China
Goal :	No discrimination in our supply chain. Universal Human Rights that are stated in ILO 100, 101 and UN’s CEDAW (convention on the elimination of discrimination against women) must be complied by all of our suppliers.
Status :	<p>International reports show that discrimination and oppression of minorities and vulnerable groups is still a severe problem worldwide. According to Amnesty International the oppression of religious and cultural minorities in China is an increasing problem. Even though the discrimination of Uyghurs in China is historically rooted, there are indications that conditions are only getting worse. The oppression of freedom of expression and association is also increasing, although China has seen a huge progress in poverty reduction and economic development the last decades. The fact that people wanting to investigate and address the oppression will put themselves at risk, is further complicating the situation and progress. The lack of protection against discrimination is a serious problem in the Chinese society, and it may be hard to trust reports and sources of information having in mind that Chinese governments want to cover up the continuous oppression.</p> <p>According to Amnesty Annual Report 2022-2023 China has continued systematic repression of ethnic minorities in Xinjiang and Tibet continue, increased censorship, harassment and imprisonment of individuals practising their religion or beliefs continued. Authorities has continued to imprison human right defenders.</p> <p>India has significant gender inequalities, a caste system which still is effective in large parts of the country and discrimination of religion, sexual orientation and social background. A previous ILO study reported female discrimination of gender pay gap of almost 40%, and migrants have about 20% less than local workers. Caste-based discrimination led to more than 40.000 reported crimes against Scedule Castes and Dalits were especially targeted.</p>
Goals in reporting year :	Engage with Amnesty International to receive guidance on how to address discrimination in China and India. Discuss risks and possible approaches with stakeholders with different perspectives. Carry on our requirement for cotton origin. Continue to remind our suppliers that discrimination in any form is not accepted in our supply chain, and provide suppliers with tools and information on how to fight and address this topic.

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

In our “Minimum Requirements to our Suppliers working with BLÅBÆR Production AS” we require that suppliers must hold & share their policy and guidelines for sustainable and ethical business, including point on anti-discrimination and anti-harassment. These have so far been used as requirements for new suppliers which must be fulfilled before starting collaboration. In end of 2022 we decided that these shall apply for all suppliers within 18 months and informed our suppliers of this requirement. During 2023 we have reminded and followed up suppliers to ensure they set up sufficient time and resources to establish a good policy. In some cases we have provided templates, guidance or feedback to help suppliers establish a policy which is in line with the ILO-convention.

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

By July 2024: All first-tier suppliers shall have their own official policy and guidelines for sustainable and ethical business, these shall include point on anti-discrimination and anti-harassment. Continue to map supply chain beyond first tier and have a complete supply chain transparency.

<p>Salient issue</p>	<p>Water Usage Cotton industry: Mainly related to business in India</p>
<p>Goal :</p>	<p>Take concrete actions to reduce water usage in our supply chain.</p>
<p>Status :</p>	<p>According to The United Nations World Water Development Report from 2023 water use has been increasing globally by roughly 1% per year over the last 40 years. Due to population growth, changing consumption patterns and socio-economic development it is expected to grow further in this same rate until 2050. Because of climate change, water scarcity will increase overall and worsen in areas where the situation is already critical. About 10% of the world’s population lives in countries with high or critical water stress.</p> <p>Cotton is the most common natural fiber used to make clothing, accounting for about 33% all fibers found in textiles. India’s cotton cultivation is the most water-intensive in the world. Water footprint of cotton textile may have great variations based on origin and production factors. WRI have ranked future water stress by country, and a model show that a cotton producing country like India will suffer from severe water stress in near future. This means that businesses, farms and communities will be even more vulnerable to scarcity than they are today. The industry in Tirupur consumes more than 90.000 cbm of water every day which equals the average water supply of an Indian town with a population of over 2 million people. The area around Tirupur is dry and most of the groundwater is polluted and unusable.</p>
<p>Goals in reporting year :</p>	<p>Start to investigate how to track and measure water management in our supply chain.</p> <p>Take concrete actions to reduce water usage in our supply chain. Explain our goals to suppliers and source knowledge at NGO`s on how to reduce water usage for our cotton garments. Increase internal knowledge of water usage in our production chain is the first but essential step. Choosing GOTS-certified cotton will require processing units to demonstrate environment management, including wastewater treatment.</p>

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

The majority of our cotton has been GOTS-certified, and we have proceeded with these certifications. Our dyeing of cotton happens in a closed loop system to reduce water usage and wastewater in best possible way. We have eliminated printing techniques that do not comply with standards for regulated water usage. All of our prints are GOTS-certified as well.

We have started to collect data from suppliers regarding water management and water use, but acknowledge that most crucial water risks happens further down in our supply chain. We therefore need to encourage suppliers to help us collect data from their suppliers so that we can assess possible efforts that can be made so see significant improvements.

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

We will continue with our requirement of GOTS-certified cotton and printing as well as dyeing in closed-loop system.

In the following year we hope that the Amfori BEPI program will help us to strengthen knowledge and competence internally as well as for our suppliers.

We also need more knowledge and updated information on how to reduce water usage and enable smart water management in our supply chain.

<p>Salient issue</p>	<p>Hazard chemical use: Related to all countries in our supply chain</p>
<p>Goal :</p>	<p>No occurrence of prohibited chemicals in our products. Occurrence of chemicals with restrictions must be within current, updated & strict limit values. Reduce and avoid use of hazard chemicals in our supply chain as far as we possibly can. Guide suppliers with available information on how to substitute hazard chemicals.</p>
<p>Status :</p>	<p>Textile production is traditionally linked to use of a wide range of chemicals, many of which can be toxic and have the potential to harm workers and cause irreversible damage to the environment. It is estimated that textile dyeing and treatment contribute to up to 20% of the global industrial water pollution. Hazard chemicals will in the end be released to soil and ground water, fresh water sources or at the sea, and put millions of people at risks.</p>
<p>Goals in reporting year :</p>	<p>We will proceed with our routines for updating chemical requirements and restrictions towards our suppliers. Updated Chemical guidance and X-lists will be sent out to all suppliers two times during 2023. We will attend courses and webinars targeting chemical use and updates within the industry.</p> <p>We will continue to make random tests on selected materials and samples from nominated suppliers. Through our commitment to the initiative “No to PFAS” driven by Chemsec, we will continue to push for a complete ban of the forever chemicals. We will have meetings with stakeholders regarding how to address salient issues related to chemicals with our suppliers. Furthermore, we will continue to work targeted on how to reduce chemical use even further in our supply chain.</p>

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

All of our suppliers have been given instructions and guidance for chemical use customized for their production. Furthermore 100% of our suppliers have accepted and signed our Chemical Agreement.

As previous years, we have sent out updated chemical guidance and X-lists to all suppliers two times during 2023.

Relevant employees have attended courses and webinars targeting chemical use and updates within the industry. Random tests have been made on selected materials and samples from nominated suppliers.

We have increased number of Oekotex-certified materials and garments.

We have also continued with other certifications which secure safe and strict chemical use, such as GOTS-certified cotton, RWS-certified wool yarn and GRS-certified polyester.

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

Send out updated chemical guidance and X-lists to all suppliers two times during 2024.

Continue to attend webinars and courses to stay up to date on legislation and development within the textile and chemical research. Select materials and samples for testing and control.

Continue with requirements of Oekotex-certified materials and garments, GOTS-certified cotton, RWS-certified wool yarn and GRS-certified polyester.

Salient issue	Environmental impact: Related to all countries in our supply chain
Goal :	Reduce the environmental impact of our production and activity.
Status :	<p>We acknowledge that our activity and production have an environmental impact and there is a need for significant changes and improvements to ensure sustainable development and progress. We need to address this by various ways and commit to specific efforts, such as;</p> <ul style="list-style-type: none"> • Increased use of sustainable materials, such as recycled and certified materials • Set clear and strict requirements regarding chemical use. • Mapping our carbon emissions in order to set concrete goals for reductions. • Increased focus, knowledge and competence on circularity and circular principles in design and product development. <p>One of the most salient risks related to production of rubber and viscose is deforestation. As deforestation is one of the number one contributor to climate change, we must take action to make sure that our products that are linked to this risk is sustainably sourced.</p>
Goals in reporting year :	<p>Find suitable certification for products made by rubber and viscose.</p> <p>Implement software to track scope 1 & 2 GHG emissions. Join “Science Based targets” and commit to reduction targets in line with SBTi `s criteria.</p>

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

Since 2023 we have required bamboo viscose and rubber to be FSC-certified.
All our hang tags are now FSC-certified, without coating and 100% recyclable.
Majority of our polyester is recycled, and we will continue to increase as well.
We have increased number of Oekotex-certified materials and garments.
We have also continued with other certifications which secure safe and strict chemical use, such as GOTS-certified cotton, RWS-certified wool yarn and GRS-certified polyester.

We have implemented climate accounting software which is a flexible and effective SaaS for monitoring and calculating the climate impact of our organization.
We have complete Scope 1 & 2 emissions and also all major emissions from main categories in Scope 3 related directly to Blåbær Production. Calculations are carried out based on the framework specified in the GHG Protocol.
Majority of our emission are in Scope 3 with downstream transportation as main factor.
Our climate report of 2023 will be published on our website www.blaber.no during Q2 2024.
With 2023 as baseyear, we have set targets for our greenhouse gas emissions in accordance with Paris agreement.
We have started the work with our Climate Action Roadmap and aim to finish this during Q2 2024.

Our updated order terms have required suppliers to work targeted with environmental and sustainable developments at their production plants and factories. This has been followed up in various ways. A few of our suppliers have during 2022/2023 installed solar power at their factories which ensures that higher amount of our production is based on energy from renewable sources, and more suppliers will do so during 2024/2025. Closed water loop systems and recycled plastic for packing are other improvements that have been made by suppliers.
We will continue to follow up and map energy sources in our supply chain, and further encourage increase of renewable energy investments when possible.

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

We will proceed with our requirements regarding recycled and certified material and garments; Oekotex-certified materials and garments, GOTS-certified cotton, RWS-certified wool yarn and GRS-certified polyester. Next step regarding certification of bamboo viscose is to increase the traceability of the entire process and minimize the salient risks that are connected to further steps. We will also consider which other measures we can take to increase traceability and minimize risks. Additionally, we will consider new certifications/manufacturing processes which have less impact and footprint on the environment.

We will proceed with strict requirements regarding chemical use.

We will implement mapping and registrations of our carbon emissions in order to have quarterly reports.

Finalize Climate Action Roadmap.

We will have an increased focus, knowledge and competence on circularity and circular principles in design and product development.

<p>Salient issue</p>	<p>Corruption: Related to all countries in our supply chain, but are linked to higher risk in India & China</p>
<p>Goal :</p>	<p>No corruption in our supply chain. Transparent and sustainable business practice. Continue to contribute and develop a culture of integrity among our suppliers to avoid corruption in all forms. Doing business with integrity is the right way to build long term relation. Reducing corruption is at the heart of the Sustainable Development Goals.</p>
<p>Status :</p>	<p>Corruption undermines governments' ability to protect people and erodes public trust, provoking more security threats and make these harder to control. Furthermore, conflict creates opportunities for corruption and subverts governments' efforts to stop it.</p> <p>Corruption in our supply chain is not tolerated at any level and this is clearly stated in our CoC. We acknowledge that the risk of corruption is high when dealing with countries that score poorly when it comes to transparency.</p> <p>India is considered the largest democracy in the world, but the government continues to consolidate power and limit the public's ability to respond. According to the Corruption Perceptions Index, the corruption score of India of 2023 was 39 p and the country is ranked as number #93/180. The score has decreased from 40 p in 2022. This means that the risk of corruption in India is high, and according to the CPI report the case of India is particularly worrying. As examples which interferes us, audits are commissioned and paid for by the manufacturers in order to achieve better results/score. Furthermore, GOTS have uncovered fraud that "ordinary" cotton has been certified as GOTS certified cotton.</p> <p>While anti-government protests were not uncommon in Sri Lanka before 2022, they gathered significant momentum during the country's ever-worsening economic situation. CPI has decreased over the last years and rank Sri Lanka as number #115/180 countries with 34 points, same as Turkey.</p> <p>Corruption may occur regularly in Turkey in governmental organizations and business partners, for instance paying bribes, reducing import charges or falsifying official documents. As Sri Lanka, Turkey have 34 p and is ranked #115/180 countries. Turkey's score has decreased with 2 points from recent report and have decreased every year for the last 10 years. The risk of corruption in Turkey is high.</p>

According to the Corruption Perceptions Index, the corruption score of China from 2023 was 42, ranked 76 out of 180 countries. The score has increased since 2015 but the risk of corruption in China is still high.

During the last two years we have increased the number of recycled materials in our products from China. Similar to the case of GOTS in India, there is a risk of fraud and corruption related to certified recycled materials. Increased transparency is among the most effective efforts to avoid corruption which is why we continue to gain as much info as possible about all suppliers and their supply chain. According to «Transparency International» Covid19 was not just a health and economic crisis, but also a corruption crisis. Democratic backslides and undermining health care systems are among the great challenges in countries with high corruption risk. We have always considered corruption as one of our most important salient risks as we believe this can be a major obstacle for improvement on other areas. We acknowledge that this issue will be particularly challenging to solve but consider this to have top priority in order to approach improved socially responsible business.

Goals in reporting year :

Make sure that all suppliers hold a company Policy which is clear on zero-tolerance for corruption. Collect and check transaction certificates regularly and double check these with certification bodies. Do background checks of audit companies doing third-party audits.

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

During 2024 we have continued with close monitoring and validity check of Transaction Certificates. Building trust through long-term business is one of our long-term goals and commitments which will further minimize risk.

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

Require transaction certificates for all certified materials which will be monitored and checked continuously.
Follow up on suppliers regarding establishment of company policy.

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.

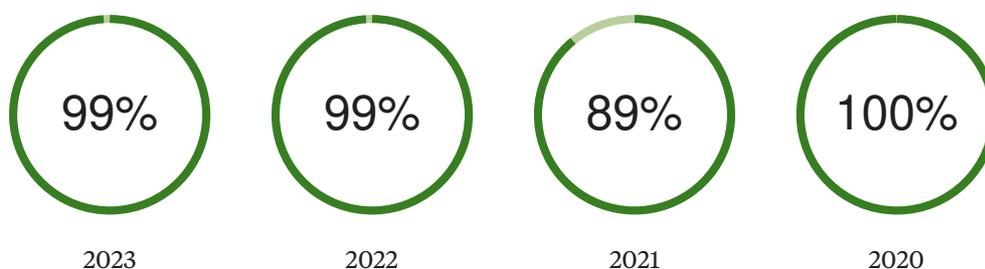
3.B.1 Reduction of nature- and environmental impact

Actions Blåbær Production have taken to reduce or prevent negative impact on nature- and environment are:

- Use of RWS certified wool. Wool is among our main raw materials, and improvements in wool supply chain will have greater impact in our business model. Land use and water pollution are among the negative factors associated with wool production. In addition to requirements within animal welfare and social compliance, the RWS certification also ensure that farmers and ranchers must take progressive approach to land management.
- Use of GRS certified recycled materials. Polyester is widely used as main material for almost all our outerwear. Virgin polyester has substantial negative impact on the environment. This is mainly due to the consumption non-renewable resources and energy. While numbers and data regarding recycled polyester may vary, there is no doubt there are clear benefits from this recycled option: Material does not require refining new oil. Plastic and PET bottles used in recycling process may be traced from landfills and ocean helping cleaning up these spots. Water intensity is also reduced in recycling process vs virgin process.
- Use of GOTS certified cotton. Cotton is well known as a water intensive fiber. In addition to strict social criteria in complete supply chain backed by independent certification bodies, GOTS-certified cotton also provides reduced water consumption and no use of hazardous pesticides or synthetic fertilizers. These steps both provides not only a global lower environmental impact but also reduce exposure to harmful chemicals and pollution of air and water for local communities.
- Strict chemical regulations. The textile and apparel industry is well-known for large variety and intensive use of chemicals. Our strict regulations, backed by our membership with RISE, for all our garments has a massive impact to avoid hazard chemicals. We use Oeko-tex 100 class 1 as benchmark for most of our styles, but in many cases have even more strict limits. Our chemical regulations are customized for each of our suppliers and product groups in order to have better focus on those materials of interests. Chemical guidance and regulations are sent out to suppliers 2 times/year.

Indicator

Sea transport



Rail transport



Air transport



Road transport



3.B.2 Reduction of greenhouse gas emissions

2023 was a year with a wide range of training and webinars to build up internal understanding and minimum level of competence. We have recently started reporting on GHG emissions in accordance with the GHG protocol. Identifying and defining best possible data with relevance has been our main focus in order to evaluate and make correct adjustments.

As most other companies in the textile industry, more than 90% of our emissions happens in scope 3 and are related to our production (purchased goods and services) as well as upstream transportation and distribution. Actions Blåbær Production has taken to reduce greenhouse gas emission are:

- Almost 100% transport by sea in 2023
- LNG vessels used for more than 40% of our total freight weight. Reduction of CO₂-eq is -29% and an improvement from 2022 as well.
- Choice of materials as listed in 3.B.1 also have impact of in emissions. Most of our polyester is already recycled, and we will continue to strengthen this part for the coming years as well.

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

Early order placement has now been integrated in our purchasing practices for several years. This has been positively received by our suppliers as it enables better planning and reduction of high peaks in production times.

In addition to the many advantages early order placement will have for our suppliers and their production planning, this effort will reduce risk of excessive overtime, unauthorized subcontracting and irresponsible sourcing.

We strive for an ongoing communication with our suppliers to enable forecasting and production planning. If we, for some reasons, are not able to send the formal purchase order sheet as early as we have planned for, we confirm the order volume/quantity to suppliers to enable them to source and purchase their materials as early as possible.

During 2023 we experienced a short period of postponed payments to our suppliers as our main customer had an overstock situation resulting in limited cash flow. Problems were solved quite soon, but these cases might be very problematic as suppliers have costs or expenses as well relying on on-time payments from their customers and partners.

Predictability and stability in our orders is also important to us. If we place an order, we will never cancel or withdraw it.

To be able to measure and track how our purchasing practice is experienced by our partners, we actively request feedback from our suppliers. We encourage suppliers to have an ongoing dialogue with us to make sure we can adapt and improve on our side. In addition, we regularly send out questionnaires to all first-tier suppliers to map our purchasing practices. Previous mappings were done early 2021 and July 2022. 100% of first tier suppliers were asked to give their feedback and 94% of them gave us their feedback. To avoid too many questionnaires, we decided to not conduct new mapping in 2023, but wait until mid 2024.

We aim for as many direct relationships with our suppliers as possible. Using agents and intermediates makes communication less efficient and might also reduce the traceability and control. In cases where we work through an agent, we require the agent to do regular and comprehensive follow-up to make sure we will have as much insight and control as possible.

In the working group LIC, we have discussed and focused on Fair Payment Terms during 2023. What we have acknowledged through these discussions and workshops is that we have limited insight and information on how suppliers determine their requests for payment terms including amount of deposit payment and due date. During the coming year we want to have open-minded discussions with suppliers to better understand their perspectives, experiences and needs. More insight is needed if we want to improve our purchasing practices and routines regarding fair payment and equal partnership.

Indicator

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



Percentage of our first-tier suppliers who have provided feedback on our purchasing practices



In July 2022 100% of first tier suppliers were asked to give their feedback on our purchasing practices, and 94% of them replied. To avoid too many questionnaires, we decided to not conduct new mapping in 2023, but wait until mid 2024.

Percentage of our first-tier suppliers who have been asked to provide feedback on our purchasing practices



In July 2022 100% of first tier suppliers were asked to give their feedback on our purchasing practices, and 94% of them replied. To avoid too many questionnaires, we decided to not conduct new mapping in 2023, but wait until mid 2024.

Percentage of first-tier suppliers where we have initiated dialogue on living wages and potential for increasing workers' wages



Percentage of orders cancelled after the purchase order was issued



One PO was cancelled due to customer claims and the supplier's inability to offer a safe and functional product. The PO value was less than USD 10.000 and represented 2% from our total purchase orders to this supplier. We covered all material costs but no additional fees.

3.B.4 Choice of products and certifications

During 2023 we have continued to prioritize certifications such as Oeko-tex, GOTS, RDS (Responsible Down Standard), RWS (Responsible Wool Standard), FSC & GRS (Global Recycled Standard).

Oeko-tex standard 100 is a certification which secures that the final products do not contain allergenic or harmful chemicals. Class 1 is the strictest product class and applies for products for babies and children up to 3 years. Class 2 includes all products with skin contact. We aim for class 1 certification on all garments.

GOTS (Global Organic Textile Standard) is a certification for organic textiles which must comply with both environmental and social requirements through the entire production process. This applies from the entire process from the farmer and workers and until the finishing of the final product. GOTS covers the processing, manufacturing, packaging, labelling, trading and distribution of all textiles made from at least 70% certified organic fibers.

RDS (Responsible Down Standard) is used for all products in our portfolio which contains down. This is a global certification scheme which sets specific requirements regarding animal welfare. Live-plucking and force-feeding is prohibited, and RDS-down will only originate from animals that have already been used for food production. When the standard was updated in 2019 some new requirements were also added to improve the standards of animal welfare.

We require all wool yarn to be certified with RWS (Responsible Wool Standard). This shall secure animal welfare and responsible production by ensuring that wool comes from farms with a progressive approach to land-management, and from sheep that have been treated responsibly according to updated animal welfare standards.

GRS (Global Recycled Standard) is the certification we use for recycled materials. This ensures traceability throughout the entire production process. For our outerwear with technical requirements, synthetic fibers are still the most appropriate, and use of recycled material has been considered a step forward to minimize emissions and environmental footprint.

In 2022 we implemented FSC (Forest Stewardship Certification) for our hangtags. This certification ensures that products come from responsible managed forests that provide social and environmental benefits. As we are working to increase our focus and circularity, it is important to us to make sure that our products' hangtags are 100% recyclable.

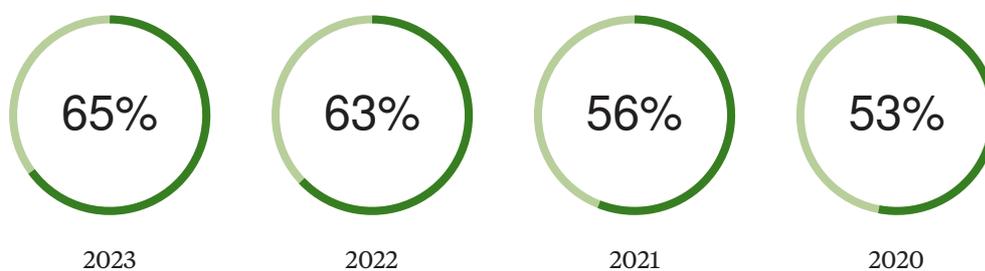
During 2023 we have also required FSC-certification for bamboo fibers and natural rubber. These were among some salient risk areas that we detected and pointed out in our risk mapping previous year. Certification will not remove, but reduce the risks, and is a step further in our prevention and reduction of negative impact.

Bionic Finish ECO is the textile finishing agent that we use for all our technical outerwear garments. This is guaranteed to be free from PFAS/fluorocarbon and other harmful substances. We have a zero tolerance for PFAS in our production. Bionic Finish ECO is one of several efforts we do to ensure that this is followed and guaranteed.

We still believe that certified materials and products are important tools to set concrete requirements and standards for our production as well as increase transparency in the supply chain. However, it is important to us to be critical and careful concerning the risk of corruption and document forgery.

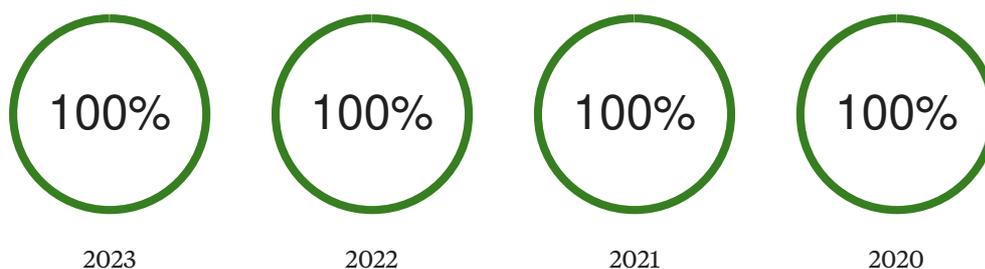
Indicator

Percentage of REFLEX-items certified with OEKOTEX 100



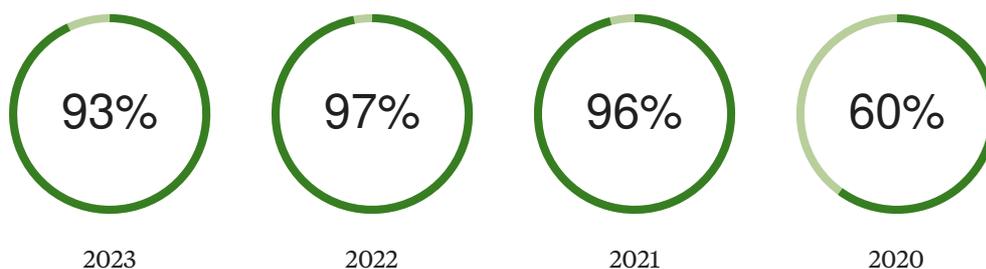
Percentage of OEKOTEX 100 labelled and certified items by number out of total qty Reflex garments. Several of our suppliers who are not OEKOETEX certified, use only OEKOTEX certified materials according to our specifications. A total of 71% (by number) of 2021 garments are either certified garments, or 100% made by OEKOTEX certified materials.

Percentage down garments with RDS certified down



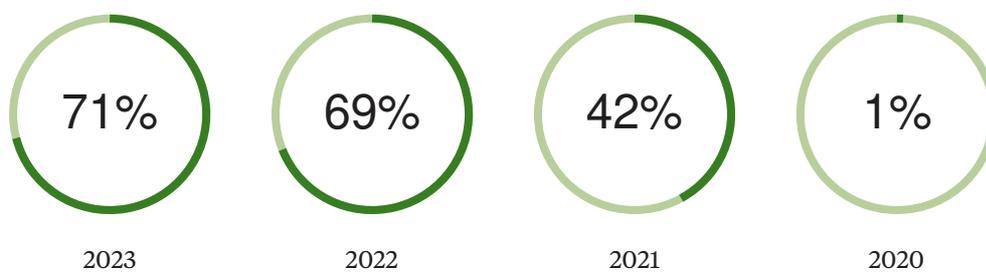
Percentage garments which content RDS down by number out of total qty containing down.

Percentage cotton garments made with certified organic cotton



Percentage cotton garments with composition of minimum 50% cotton made by certified Organic cotton by number. Applies GOTS and OCS 100 certification. Reduction in percentage from recent 2 years, is a result of increased purchase of items which organic cotton is not available in today`s supply chain.

Share of garments (by number) of synthetic materials made by at least 65% certified recycled materials



Garments included in above values are: technical outerwear, PU rainwear, fleece midlayer, polyester baselayer and swim wear.

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

One of our minimum requirements for suppliers is that worker`s representation must be established and functional at all plants. A worker representative shall be freely elected by workers, and we advise suppliers to encourage workers of all ages, gender, ethnical background, and all positions in the company, to set for election. There shall be 1 representative per 50 workers. Worker`s Representative shall have full access to carry out their representative functions in the workplace to enable best possible communication and co-operation between workers and management.

This is particularly important in countries and areas where independent trade unions are not legal which is the case in China. Working with China we aim to communicate good practices, require ongoing improvements and enable ongoing dialogue.

During our membership in Amfori we hope to implement a system for grievance mechanism in our supply chain which will enable anonymous feedback from workers regarding complaints, potential conflicts or violations. This project will very soon be available in India and during 2024 Amfori plan to scale up and prepare for implementation in China as well.

Indicator

Percentage of suppliers with worker representation other than trade union



Our quantification is based on both third party audits and our own visits to factories (latest September 2023). During recent trip to China, we experienced a set-back at some factories in relation to workers representations and their potential to have an impact and influence. Due to this we have been more strict in our assessments and have registered a lower score in this KPI. With that said – it was our great pleasure to meet with many of the Workers Representatives in our other factories.

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

Through our membership in Kemikaliegruppen RISE we have implemented a chemical guidance and customized X-lists which is sent out to all suppliers two times a year. General discussions and follow-up on these topics, and advice on how to substitute chemicals to be in compliance with future restrictions at early stage is done on-going.

Resources, guidelines, and close follow-up to support our suppliers to establish a functional worker representation/workers' committee have been sent out and is followed up when evaluating and following up on suppliers' BSCI-reports.

We constantly communicate with suppliers to focus on sustainability and certifications in order to achieve improved sustainability performance as well as competitiveness. Step by step we see improvements on how they take action, make suggestions and share valuable information to help us all improve.

During 2022 we joined the network Amfori. Our goals with this membership was to integrate a system and tools to have better control and overview of our supply chain, as well as to work more systematically for improvements together with our suppliers. Amfori Academy holds courses on a wide range of topics that can be offered to our suppliers in their local languages.

During 2023 we have encouraged majority of our suppliers to attend training and webinars to build capacity and strengthen their knowledge regarding both social and environmental sustainability. We experience a gap between suppliers, not only when it comes to competence level, but also general interest and eagerness to learn and develop within this field. While some suppliers attend courses regularly on their own initiative, others are more hesitant and must be pushed to take action. This will be an ongoing focus area during 2024.

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

Blåbær Production have a zero tolerance for corruption and bribery. This is clearly stated in our Policy for own business as well as our Guidelines for suppliers. When employing a new person to our team in the end of 2022 we did a new review of our policy and guidelines for suppliers to make sure that all points were clear. Anti-corruption was one of the topics that was highlighted.

We acknowledge that combatting corruption is a challenging activity which requires a wide range of efforts and measures. How these are integrated in our daily work and routine has also been described in more detail under related topics.

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

Business travels:

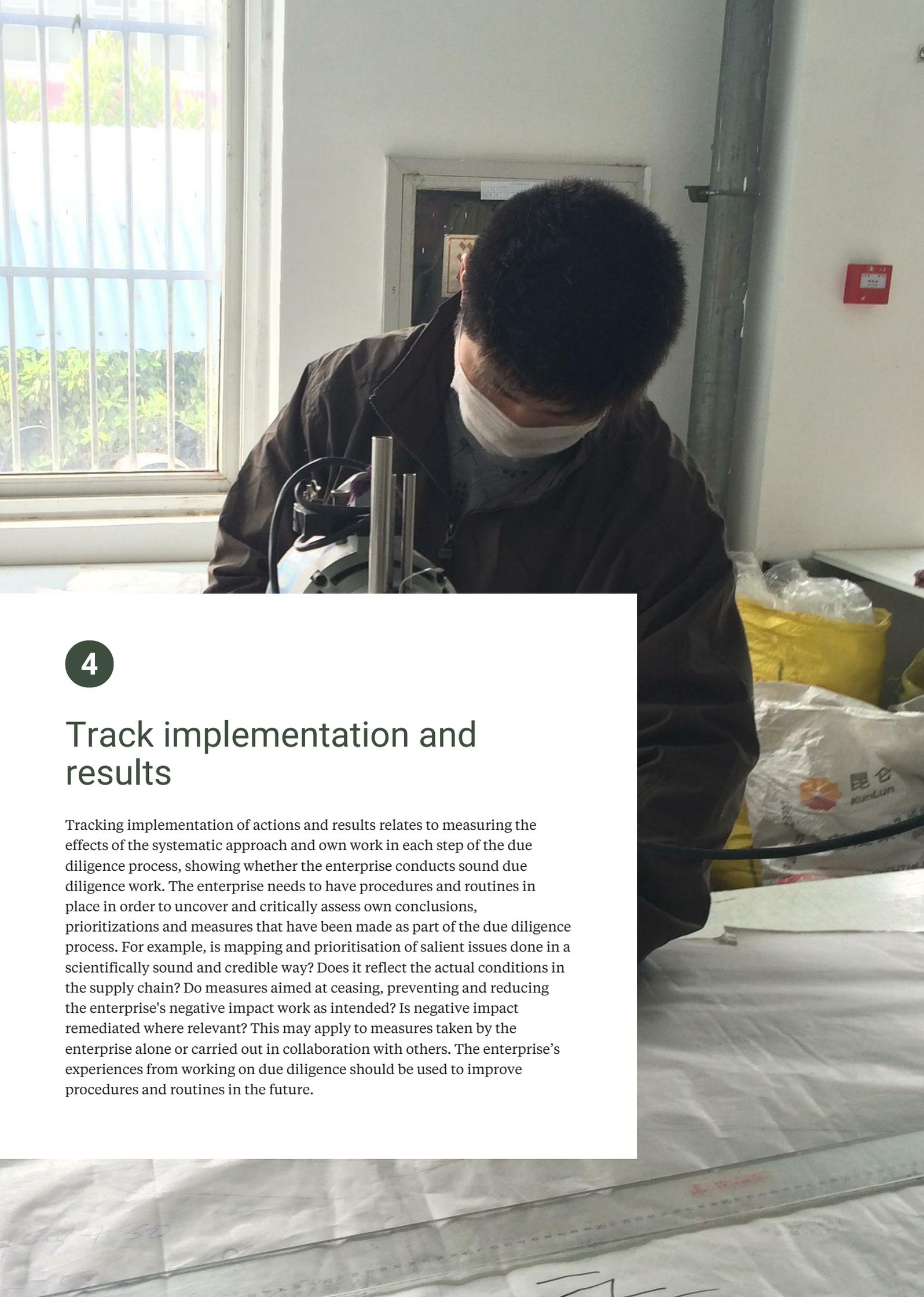
The pandemic and following travel restrictions has affected our mindset and awareness when it comes to business travels. We always look at the possibility to attend meetings and webinars online to avoid unnecessary emissions from transport and travelling. In those cases where we have to attend courses or go to meetings physically, we always strive to travel as environmentally friendly as possible. This has become our new standard, and will continue, even as the world opens for more travel activity. The pandemic situation has in other words given us experiences and insights regarding travel policy as well as travel frequency. Digital alternatives have indeed proven to be good for some purposes.

Samples:

During the last years we have worked to reduce the number of samples in our design- and product development processes. To save resources, material use and reduce emissions from freight, fewer samples throughout the whole process is one concrete measure that has been integrated in our working process. This has for example required acceptance from our customer to approve designs and developments based on sketches & pictures which can sometimes be risky and challenging.

However, our focus on long-term relationship and mutual trust with customers and suppliers have helped us move in a positive direction that will be taken further.

Working with design and product development, there will however be necessary with a certain amount of samples to make sure that quality, measurements, materials and other details are correct. After each production cycle we collect all samples and donate them to SAS juleflyet. This is a charity initiative that helps disadvantaged children in Baltic states. Cooperation is initiated by BH Nordic/Barnas Hus.



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.

In Blåbær Production we have a set of routines for tracking and implementing results of our sustainability work. These routines are integrated in our daily working processes and in our purchasing routines. The regularly and daily follow-up is done by head of sustainability, while our CEO has the overall responsibility and authority of decision-making. Overall decisions on sustainability work are also discussed in regular meetings including all employees.

In recent years we have worked targeted to integrate sustainability and responsible business practice to our overall work and business development, in all steps of our production. This means that from idea and design to final goods, we aim to make decisions which are based on findings and experiences from our risk assessment. Responsibility must be integrated in daily work for all our employees.

- Already in early design- and development process we plan and specify use of same materials and colours in a wide range of products to reduce negative impact from dyeing and other production processes.
 - We have introduced a small range of products from left-over stock fabrics and will continue to do so in coming seasons. This will reduce fabric waste and hopefully will show both manufacturers and consumers the importance of utilization.
 - In the past year, information and updates from suppliers have been collected and organized internally in documents and folders for each supplier. As the amount of certifications, audit reports etc have increased notably, we have seen the need for a better and organized tool. In 2022 we joined the sustainable community Amfori to improve our system to gain a better overview of our suppliers. This community offers a framework called BSCI (Business Social Compliance Initiative) which targets social performances in the supply chain. Furthermore, Amfori has now also introduced BEPI (Business Environmental Performance Initiative) which is committed to improve environmental performance in supplying factories and farms worldwide. Through Amfori's sustainability platform we have now linked with all our first-tier suppliers. During the coming years we will integrate this tool in our daily due diligence work, targeting social and environmental performances.
 - Factory visits: Before the breakout of COVID19, supplier visits were conducted two times a year. These visits have been important to follow up suppliers and sub-suppliers to make sure that they all comply with our standards for responsible business practice, environmental and social compliance. At factory visits, current status is always on the agenda and a supplier visit form is used as a foundation for checking all essential requirements for factory conditions. In August/September 2023 two of our employees conducted the first business trip to China since before the pandemic.
 - Mapping of our purchasing practices: An updated questionnaire for mapping our purchasing practices was sent to our suppliers during 2022. The main purpose of this mapping was to gain as much insight as possible and to detect which areas we can improve. This also helps us understand how our suppliers are affected by our work and practice. The results of the mapping have been shared with our main customer BH to show how we should prioritize and move forward to improve collaboration and aiming for an equal partnership with suppliers. A new and updated mapping is planned to be conducted during 2024.
 - Stakeholder dialogue: When addressing our salient risks, dialogue with relevant stakeholders is a useful and necessary method for gaining insight and perspectives. This includes a wide range of perspectives, such as NGOs, NPOs, suppliers, customers and factory workers. As explained previous in the report, this is done in various ways for each focus area and risk.
 - An important tool for tracking and implementing the results of our due diligence work is the use of relevant KPI's in our internal sustainability work as well as in annual reporting. Ethical Trade has provided us with useful examples and tools which we have used as a starting point for adapting and customizing more specific towards
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our own business. We have selected a set of KPI's which we think that we can follow and track with a long-term perspective in order to have valuable data on our progress and improvement areas in the coming years.

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

One of many advantages with prioritizing long-term business relations is the possibility to track improvements and developments within important focus areas. Despite challenges related to different cultural viewpoints and standards we have experienced improvements on several areas.

Focus on environment and sustainability in our industry in general, and in our company specifically, is constantly increasing. Our experience is that our suppliers and business partners have shown increased awareness as well.

More or less all of our suppliers have increased understanding related to our demand regarding openness and transparency. Only one of our suppliers has been less willing to provide full transparency regarding sub-suppliers despite our requirements. We have however experienced a positive development, and this supplier is now showing an increased understanding of transparency and openness. Hence, we think that our continuous emphasizing is important to have a positive impact. When discussing these issues with other western stakeholders, many of them state that they experience the same. This is an ongoing focus area and important to enable continuous improvements.

As our demands and expectations to our suppliers and business partners have increased and evolved, we have also seen the need to map how this is experienced by them. Mapping our own purchasing practice has been done by sending out questionnaires requesting honest and constructive feedback. We have asked suppliers to comment on how we can improve and adapt to enable better partnership and stable business relations. Some trends were that early order placement, fair payment terms and predictability were important factors that will help suppliers plan production time & material use, reduce overtime and enable safe and good working conditions. This kind of mapping will be important tool to proceed with in the coming year to learn how we can improve partnership and collaboration with suppliers.

As mentioned above, we have integrated the use of KPI's that are linked to our detected risks and improvement areas. These can be used to measure and track our work for improvements internally in our business as well as in our supply chain. The selected KPI's used for annual reporting and our continuous sustainability work are set with a long-term perspective in order to see our progress and improvement areas over a longer period. Our experience is also that integrating KPIs increase motivation and ability to improve even further.

We seldom bring in new suppliers to our supply chain as we strive for long-term and predictable business with all partners. We did however realize during 2022/2023 some changes needed to be done in order to make further improvements in a market with new legislations and demands. Due to this we have informed some of our suppliers that 2024 is last year of providing services/products for us. At same time we have conducted background checking on possible new suppliers, ensured they meet our minimum standards and made agreements for future business.



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

One of our major stakeholders is the owner of REFLEX brand, BH Nordic. We have frequent and regular meetings with them where due diligence is always a central topic. We provide information and guidelines for customers and consumers that are relevant for our products. This information is available on hang tags, care labels, webshop etc.

An ongoing dialogue with NGO's is also a natural part of how we work. This dialogue is typically related to challenges and opportunities in the textile industry in general and in our supply chain more specifically. We believe that dialogue between NGO's and companies from the textile industry is constructive for sharing knowledge and experience. While many NGO's have important perspectives and information related to their area of expertise, it is also a fact that buyers, product developers and designers have experiences and insights that are essential to combine with these. We hope that this kind of dialogue will be even more constructive in the future to make sure that consumers get credible and transparent information related to products put to the Norwegian market.

When working with countries like China and India, we consider one of the most challenging aspects of due diligence work to communicate with workers. We do not speak these local languages, and the workers do seldom understand and speak English. We do however see the need and importance to include workers view and perspective in our risk assessment. We have translated our CoC to Chinese to make sure that the guidelines are understood by everyone involved in our production. We regularly emphasize the importance of ongoing communication between workers and management and have seen an increased awareness and focus on this among our suppliers. Some of our suppliers have for example printed the Chinese version of our Code of Conduct and posted this on the wall in their factories. In this way, the guidelines are more likely to reach out to all employees and factory workers. We see this as a good initiative which we will encourage several suppliers to do.

When conducting third party audits through Amfori BSCI, these always include interviews with workers in their local language. These interviews are anonymous, but aims to reflect the workers perspectives, opinions and potential complaints to a neutral part. Even though we acknowledge that there might be limitations and challenges related to this way of collecting perspectives, we think that it enables grievance and feedback, as well as increased awareness among workers about their rights.

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

We communicate how we work with due diligence and responsible business on our web site <https://blaber.no/vart-samfunnsansvar/>

Our annual report on Ethical Trade is also publicly available on the same page as well as on Ethical Trade Norway's webpage. This document work as an important tool to give partners and stakeholders insight in our work, progress and challenges related to our salient risks.

We are also participating in discussions, webinars and workshops with other actors in the industry to share experiences and advice. We believe that these kinds of collaborations and sharing of experience are important to reach common goals as well as push each other in the right direction.

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

For all goods where we are responsible for the development, production and transportation, we will provide any requested information concerning how we address our possible adverse impacts on fundamental rights and decent working conditions. When receiving a request from a customer or other stakeholder, we will submit a comprehensive reply as soon as possible. If we receive extensive questions that requires details or information that we do not have available, we will within reasonable time collect this information and submit it to the person(s) who has requested it.

Even though our company is below the threshold for being covered by the Norwegian Transparency Act, we chose to follow all requirements and regulations that are connected to the law. A more common framework for due diligence work has been needed in our industry for a long time, and we see new regulations as helpful and guiding when trying to navigate within a complex sector.



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 responsible business conduct we communicate how we will take responsibility if we are involved in any cases that have caused or contributed to human rights abuses:

“If our activities are found to cause or contribute to negative impact on people, society or the environment, we will stop the activities and seek to provide remedy”.

Remedy can in these cases be acknowledging and apologising, restitution and rehabilitation, financial compensation or implementing measures that will prevent similar cases in the future.

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

During factory visits conducted in 2023, we discovered that hygienic standard and privacy standards at workers toilets at one of our factories was far from acceptable. This specific case was addressed both during factory meeting and in meeting with supplier later same day.

When returning home after business trip, we had an internal evaluation and discussion on how to address this in general. Even though hygienic standards have been among our focus areas from before, we decided to again emphasize this to all suppliers, not only the factory where we detected some deficiencies. This actually resulted in several initiatives from suppliers to upgrade and renovate toilet facilities at their factories. Pictures were sent us that showed some significant improvements compared with what we saw during our inspection.

Through monitoring of BSCI-reports we have in a few cases detected insufficiencies regarding wage level. Even though we have emphasized our requirement of living wage for all employees, we have seen examples of incorrect and poor wage calculation which is not in accordance with the Anker method recommended by GLWC. A remediation of wage level does not necessarily have a quick fix, as it may require training of factory management, updated calculation procedures and new routines to stay up to date on living wage data. We have however seen examples of improvements in wage level at some factories when addressing findings from reports. Providing guidance and feedback to suppliers can therefore have a positive affect and must therefore be prioritized further.

Overtime, insurances and living wage have been among our focus areas during the past years, and we believe that these issues are highly related to each other. By working more systematically to collect information and statistics from our suppliers we will also reduce the risk of any cases that will need remediation.

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

During the previous years, third party audits and conversations with suppliers have been our main source of information when it comes to mapping effective grievance mechanisms in our supply chain. In cases where for example BSCI-reports have shown deficiencies, we have requested concrete action plans from suppliers to secure progress and integration of these kinds of systems.

In the coming year we will continue to follow up all suppliers to ensure that effective grievance is established and well-functioning. We will continue to emphasize our requirement that our suppliers have a freely elected Worker representative and/or Worker's committee. This will be done in addition to information gathered from audit reports, since reports will only give access to limited information and insight in whether systems are well-functioning. Although these systems can be easier to follow up on through physical factory visits and inspections, we believe that frequent dialogue and discussions via video-meetings and email will increase awareness and understanding of the positive effects.

During recent discussions with our suppliers, we have seen several examples of an increased willingness to be open-minded regarding these issues which sets a good foundation for further work and improvement.

In the case of grievance mechanisms, it is however complicated and challenging to ensure a correct and accurate overview of status quo. It is not difficult to imagine that workers might find it difficult and risky to communicate any complaints or grievances related to working conditions or conflicts with management or co-workers.

Through our membership in Amfori we are planning to join a program which will facilitate functional grievance mechanisms in our supply chain. This project will enable a notification channel, to secure that any potential violations, conflicts or complaints can be communicated anonymous by all workers, regardless of their position and status. This will not only give us a better overview of our risks, but will also enable remediation in cases where this is needed. Initially this project will be available for suppliers in India and Turkey, but Amfori have set goals to implement similar measures in China in the following.

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