



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

# Account reporting year 2023

for Holzweiler Items AS

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*Ethical Trade Norway has assessed the report of Holzweiler Items 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**

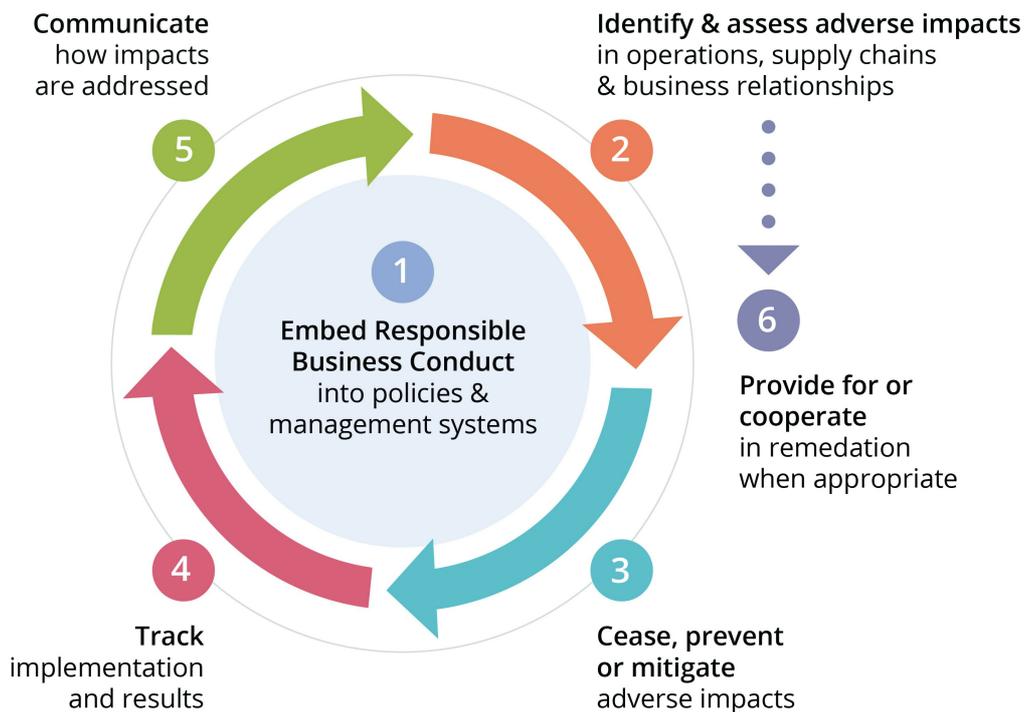
*Executive Director*

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

The year of 2023 has been an exciting and yet challenging year.

Despite a less thriving financial situation in the year that passed, we have grown our business in new markets and made long-term investments for the future.

One of the highlights in our work with sustainability was receiving the 2023 Ethical Trade Norway Award. This award has shown us that our efforts and priorities has been acknowledged and the drive to create positive change became even stronger.

We started implementing our sustainability strategy towards 2030, that was set in 2022.

It is based on four pillars: Climate & Environment, Human Rights & Decent Working Conditions, Traceability & Transparency and Customer Engagement. These are the headlines we have focused on, with defined annually targets setting the direction and pace.

Launching Digital Product Passport, touching upon all four pillars in our strategy, has been another highlight of the year and makes us well prepared for the upcoming regulation. As a front runner in the DPP space, we have shared our experience with others through several forums.

A main driver within our sustainability work is approaching the issues of overproduction and overconsumption, and the amounts of textile waste this entail. During 2023 we incorporated multiple initiatives to address this, which will be elaborated in this report.

We know that the lifecycle our products go through is our responsibility to improve. Our design and production team has been trained on the eco-design criteria that was created in 2022. When diving into this, we found that the verification process was much more complex than we had foreseen, so new targets has been set. We have increased chemical testing and property testing to better understand where to put our focus. Our aim with the criteria is to ensure high quality and durable products, but also to enable recycling and ensure that products are made with safe and reduced impact inputs.

In 2022 we joined the international learning and implementation community initiated by Fair Wear Foundation, Ethical Trade Norway and UK, Solidaridad, Better Work and around 35 brands within the textile and apparel sector, with the purpose to implement a common framework for responsible purchasing practice. During 2023 we've been working actively in this group, also including a few of our key suppliers to better understand their perspective. We have been inspired and learned a lot and we will continue the project in 2024 to adjust and explore what we can implement for a more responsible purchasing practice.

We've done a massive cross department job to upgrade our ERP system, implementing a new PLM system and a Product DNA system, for managing product development, purchasing, production and product traceability. This will be key in our transparency focus and in meeting future requirements.

During 2023 Holzweiler revised our values and became an even more value-driven company.

Balance, Belong, Become – create a space for your personal growth, encouraging you to prioritize balance in your life and to come as you are.

With this in mind, we see a bright 2024 ahead of us.

**" Sustainability is not a trend, but a business imperative! "**



Andreas Holzweiler, CEO and Chairman

Andreas Holzweiler  
CEO

# Board Signature

Holzweiler

Signatures from the Board, Holzweiler Items AS,  
Holzweiler Annual report 2023 to Ethical Trade  
Norway

Date: Oslo 16.05.2024



Andreas Holzweiler, CEO and Chairman



Susanne Holzweiler – Board member

Holzweiler Items AS, Org. nr. 914 193 087, Lysaker brygge 23-25, 1366 Lysaker

Oslo  
16.05.2024

# Enterprise information and enterprise context

## Key enterprise information

### Enterprise name

Holzweiler Items AS

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### Head office address

Lysaker Brygge 23-25, 1366 Lysaker

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

Holzweiler designs, manufactures and sells products in the categories of clothing, shoes and accessories.

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### Description of enterprise structure

Holzweiler head office and showroom are situated at Lysaker Brygge, just outside of Oslo. We also have offices in UK and China. The Holzweiler group has five stores in the Oslo area and one in Bergen and Stavanger. In our premises at Oslobukta you will find a Holzweiler shop, as well as a restaurant - Café Platz. In Hegdehaugsveien in Oslo, you can also find Holzweiler Café in the same space as the Holzweiler store. Holzweiler Collage store at Grünerløkka in Oslo was opened in 2023, selling stock from previous seasons.

Outside of Norway, one Holzweiler store can be found in Denmark (Copenhagen) and three stores in China (Shanghai, Beijing and Chengdu).

In 2023, we had employees in England, China and Denmark who work in sales, marketing, e-commerce, production follow-up and management.

Holzweiler's products are sold via own stores and webshop, but also wholesale in Norway and globally.

Each team has a department manager who is part of the management team. In which, sustainability is one of the topics discussed and where decisions are made. Holzweiler CEO anchors the work with sustainability in the board.

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### Turnover in reporting year (NOK)

288 487 053

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### Number of employees

145

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

Yes

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

With the investment from Sequoia Capital China in 2022, Holzweiler has in 2023 been able to scale and accelerate the global D2C and B2B business and expand in key markets, focusing on UK and China. Our offices in China and UK has expanded with more manpower and expertise.

In 2023 the CSR team had decreased capacity, due to our Social Compliance manager's position was split between Holzweiler and our sister company, Camilla Pihl. Her position in Holzweiler was changed from 100% to 40% from August-23, with the duration of a year.

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

Line Staxrud Eriksen, CSR manager

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**Email for contact person for the report**

line@holzweiler.no

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## Supply chain information

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

Our collections are designed, developed and purchased by the Holzweiler's head office. Materials are mainly sourced by our suppliers, based on our requirements for sustainability, durability, certifications and type of material. We source some materials ourselves, directly from fabric suppliers.

Six collections are developed annually, with orders placed at the same time each year. Each collection starts with a timeline created in alignment with the suppliers, and deadlines are set based on this. Purchase orders are mainly placed after the orders from own stores and wholesale customers in Norway and abroad are received.

Re-orders and other smaller deliveries are also initiated in connection with projects or collaborations.

Holzweiler produces in several categories (clothing, outerwear, shoes, accessories) and therefore works with several supply chains and production lines, some of which are produced via an agent or intermediate and some are directly with the factory. Where we work with an agent or intermediate, we have permanent factories that produce for us.

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

48

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### **Comments**

Counting suppliers and agent/intermediates we have direct business with.

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### Type of purchasing/ suppliers relationships



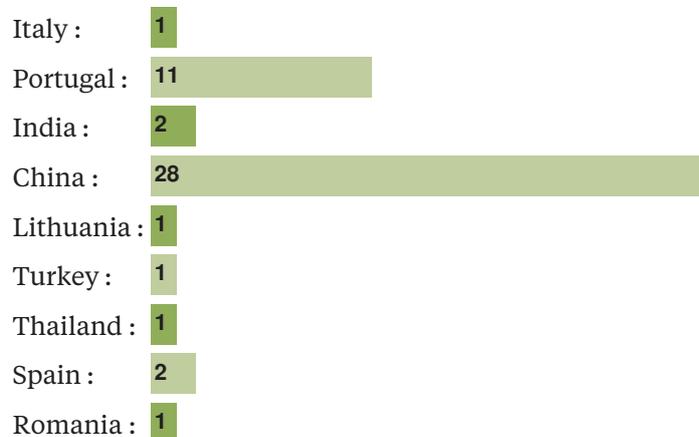
Sourcing volume % is calculated based on the quantity of manufactured goods in the reporting year.

We have defined the suppliers as direct when the suppliers owns fully or partially the factory or has full collaboration on the production planning.

Purchases through intermediaries are done when they have a crucial role in sourcing, planning and production, and in many cases also a financial and close business relation with the manufacturing unit.

The intermediary serves an important communication role in addition to several other tasks they manage like fabrics sourcing, production planning, QC etc. All factories directly involved in manufacturing the products (cutting, sewing, finishing, packing) are evaluated by Holzweiler and we also gather information on tier 2 and 3 through Digital Product Passport.

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



Counting agent/intermediates and suppliers we have direct business with.

**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

3 839

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

15

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

256

**Comments to number of workers**

The number of workers are based on information our suppliers had registered in TrusTrace until mid 2023 and from social audit reports.

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

<b>Organic cotton / Recycled cotton</b>	China Egypt Indonesia India Turkey
<b>RDS down</b>	China
<b>Wool / RWS Wool / RMS Wool</b>	Argentina New Zealand Peru South Africa
<b>Polyester/ Recycled polyester</b>	Global
<b>Polyamid / Recycled polyamide</b>	Global
<b>EcoVero &amp; Lyocell Lenzing (TM)</b>	Global
<b>Leather</b>	New Zealand Poland

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

No

## Goals and progress

### Process goals and progress for the reporting year

1

#### **Holzweiler new Sustainability strategy 2023-2030 with commitments and goals is divided in main 4 pillars:**

1. Climate and Environment
2. Human rights and Decent working conditions
3. Traceability and Transparency
4. Customer engagement & Connectivity

Where our commitments up to 2030 are:

1. In 2030 we produce only what we need, with renewable energy and efficient energy use. We are 100% circular using everything we leave behind as a resource.
2. In 2030 we ensure decent and safe working environments for all workers involved in our productions, with our responsible purchasing practice as a foundation.
3. In 2030 our supply chain is traced from top to bottom and information is shared publicly.
4. In 2030 Holzweiler community is well-established with sustainability as a foundation. Product passport ensure information sharing and promotes circular initiatives.

#### **Goal :**

“The next big thing out of Scandinavia”

As a forward-thinking company that is growing in global markets, sustainability is both a requirement as well as an integrated part of Holzweilers’ values. A great commitment creates opportunities in a changing industry. This commitment will be a success factor when entering new markets. Being a responsible actor that complies with all regulations before they are introduced, always utilizing the latest innovations to become better. Not because we have to, but because it’s doing the right thing. We believe this will give us a lasting place in the industry – with healthy financial success.

Our ambitious gameplan for a responsible business practise is defined and allows us to create positive impact on our journey. We are taking a holistic approach and embedding sustainability in every part of our business, from product development, through supply chain, marketing & communication and sales, to the end of each product’s life.

We also structured the goals for 2023 and 2024 under these four pillars:

#### **Status :**

In 2023 we've been working strategically to implement our sustainability strategy, focusing on our goals for the year.

2

## **Climate and Environment**

- Goal :**
- In 2023, 10% of all developed products are designed according to our eco-design criteria.
  - Increased share of our collection will be designed in CLO3d.
  - Increase number of LLP (Our Long Lasting Product-collection) to reduce products sold at a discount.
  - Chemical guide is communicated to the suppliers and chemical testing will be executed regularly
  - GHG emission reduction roadmap for 2025 will be defined.
  - Two projects on using our own textile waste into new productions, will be initiated.
  - Easily accessible repair services globally through a products digitalt product passport
  - Easily accessible resale services globally through a products digitalt product passport
  - Alternative to leather – research and testing of materials will be ongoing in 2023
  - 60% of materials used in deliveries in 2023 will be made of preferred materials.
  - We will be opening a "Collage" Holzweiler store to make sure products from previous collections and samples are given new life. The store will have interior chosen with reuse in mind, not in crafting brand-new furniture or store decorations. Followowing the ethos of making use of what has come before.
  - We will also hold events related to care & repair.

### Status 2023

- In 2023, 10% of all developed products are designed according to our eco-design criteria.  
*We have experienced challenges in this process, due to unclear requirements on how to validate a product and cost related to this.*  
*Nevertheless,*  
*We've also engaged with other parts of the industry to set clear requirements, that we will inform about on each product we claim to be designed with eco-design in mind. We will make sure to be aligned with coming EU Ecodesign requirements.*  
*Regardless of this, we have focused on all criteria throughout the year.*

### ***-legge til test resultater.***

- Increased share of our collection will be designed in CLO3d.  
*Complete - more than 250 products were developed or improved using CLO 3d.*
- Increase number of LLP (Our Long Lasting Product-collection) to reduce products sold at a discount.  
*We renamed this collection to Holzweiler Items, same as our company name. The name was originally related to the items you keep for a long time and use over and over again, your forever essentials, which is our ambition with our newly launched Items collection. The collection is based on hero products and new developments that fits the purpose of this collection. These items will live in stores for minimum two years before they can be sold at a reduced price, not following the normal collection calendar.*  
*Number of produced items will be included in next years reporting.*
- Chemical guide is communicated to the suppliers and chemical testing will be executed regularly;  
  
*Our Chemical guide was updated twice in 2023 and communicated to the suppliers. We did perform testing of substances with third party laboratory on several product groups and chemical substances, all products were compliant with at least legal level.*

- GHG emission reduction roadmap for 2025 will be defined.

**legg til noe om dette!**

- Two projects on using our own textile waste into new productions, will be initiated.

*We have sent flod damaged knits to a supplier in Italy for it to be recycled into new yarn and to be used in new production. The result will be reported on next year.*

**Status :**

*We engaged with the Norwegian company, Fæbrik, to present a collection of make-it-yourself products made from deadstock from our 2021 collection. The customers bought a kit including fabric and a pattern to follow, and created their own products.*

*It also included a sewing event for those who wanted to join. This project became a great success.*

- Easily accessible repair services globally through a products digitalt product passport

*This target has been moved to 2024, as we have engaged with a new DPP partner and included it in our participation in Innovation Norway's Creative Technology project. This project is elaborated under 3.B.1*

- Easily accessible resale services globally through a products digitalt product passport

*This target has been moved to 2024, as we have engaged with a new DPP partner and included it in our participation in Innovation Norway's Creative Technology project. This project is elaborated under 3.B.1*

- Alternative to leather – research and testing of materials will be ongoing in 2023:

*We did reserach and mapping of three potential alternative materials to cow leather. There were obstacles related to availability, quality (durability), price and handfeel or look.*

- 60% of materials used in deliveries in 2023 will be made of preferred materials.

**avventer tall.**

- We will be opening a "Collage" Holzweiler store to make sure products from previous collections and samples are given new life. The store will have interior chosen with reuse in mind, not in crafting brand-new furniture or store decorations. Following the ethos of making use of what has come before.

*Holzweiler Collage was opened at Grünerløkka in Oslo in 2023, made with already existing interior and re-use and re-design in mind. This is a space where our customers can go treasure hunting to find products from previous seasons.*

- We will also hold events related to care & repair.

*Instead of care & repair, we held events related to stock fabric with Fæbrik (described above) and a charity event together with other Norwegian brands, where all revenue from selling stock from previous seasons, went to Redd Barna's work in Gaza. Holzweiler hosted this event at our Café Platz in Oslo.*

### **Human rights and Decent working conditions**

- FWF: Preparing for Fair Wear membership by making an action plan for the project including status on wage mapping at suppliers, internal commitment, worker representation, insurance coverage and social dialogue at the suppliers. Evaluate and plan for which suppliers we should start the program or measures with. We are continuing to be learning more on the topic by participating in the Living wage working group and other initiatives within the topic.
- Goal :**
- Launch detailed risk assessments on all countries and main share of materials and products
  - Supplier minimum criteria implemented for sourcing new suppliers.
  - Participate in an international working group for Responsible Purchasing practices (2023 - 2024) to improve and settle own practices.
  - Use TrusTrace as a tool to gather and analyse more detailed data from supply chain and use this as basis for decision-making for supply chain actions or measures.

### **Status 2023**

- Fair Wear Foundation: *During 2023 we had meetings internally and dialogue with FWF on the obligations, benefits and cost in a FWF membership relation. We also did a thorough cost benefits consideration as the cost structure of FWF membership had changed from when we started the process/dialogue. In a more volatile and fragile market nationally and internationally we have decided after considerations that we will prioritise other projects in 2024. Meaning that decent and fair wages is still on the agenda but a membership in FWF or working with other measures and/or organisations is something we will include going further. We are continuing our learning and experience sharing in the Living Wages working group with several other norwegian brands. Open costing - si noe om dette - møter og dialog !*

- Launch detailed risk assessments on all countries and main share of materials and products: *we have mapped out and analysed country of production risk and main share of materials.*

- Supplier minimum criteria implemented for sourcing new suppliers: *we have established and implemented a comprehensive list with minimum criteria which all new suppliers must comply with. New suppliers are evaluated in a desk top assessment based on the data and documentation they provide. For present suppliers we are evaluating them annually on KPI's for internal supplier performance evaluation where stakeholders from csr, design, buying, production and supply chain are involved.*

- Participate in an international working group for Responsible Purchasing practices (2023 - 2024) to improve and settle own practices:

- *We have participated in all joint international meetings and local learning and implementation community meetings in 2023. Covering principle 1: Integration and Reporting, Principle 2: Equal Partnership, Principle 3: Collaborative Production Planning.*

- *Internal stakeholders in the commercial team are merchandising, buying, production, design and management have been involved in the meetings and topics relevant for them.*

**Status :**

- The outcome so far:*

- *Three key suppliers were invited and they all joined the project to learn more and represent the supplier view and experience on rpp.*

- *The three key Suppliers have also answered our survey on our purchasing practices - and there has been follow up meeting internally on their input.*

- *Improved joint business calendar.*

- *Implemented Range plan - works well and dialogue with supplier.*

- *Vendor management - strategic suppliers to be prioritised-*

- *Leaner collections - Size refence adjusted.*

- *Nominating suppliers - joint descision design, csr, prod, buiyng dept.*

- Supplier evaluation regularly including design, prod and buying, logistics.
- Avoid and reduce late changes from sale
- Internal awareness and training with buying, production, design, technical dept.

All outcome points above are often related to each other and commonly connected to other projects or measures in progress.  
The RPP project continues in 2024.

- Use TrusTrace as a tool to gather and analyse more detailed data from supply chain and use this as basis for decision-making for supply chain actions or measures:  
*Due to changes in our IT structure, Trustrace collaboration was from late fall replaced with another supply chain management (mapping and tracking) system with the same partner we use for care labels, and it will be fully implemented in 2024. This system supports the data we need to be collected from suppliers and facilities, as well as the data we gather for DPP - digital product passport. As we write this report the process of implementing is ongoing and we do not have complete data in place yet. We expect the system to be fully implemented within fall 2024. As this system already is implemented with the suppliers for ordering labels, it will reduce the number of systems the suppliers have to operate within managing our business relation.*

4

**Traceability and Transparency**

**Goal :**

- 100% traceability tier 1-2 for total purchasing volume.
- All fabric and yarn suppliers are publicly shared.

- 100% traceability tier 1-2 for total purchasing volume.  
*Complete - We see that there are several definitions on the different tiers, so we have decided to move away from defining the processes as tiers and start reporting on the service provided (e.g dyeing, fabric, printing).*

**Status :**

- All fabric and yarn suppliers are publicly shared.  
*Complete - Our aim is that we share all yarn and fabric suppliers publicly in our supplier list, but we cannot be certain that it's 100% as this has been a manual task between us and our production partners.  
We know that most of them are listed and probably also a few that is no longer related to our productions. Moving forward we will approach this in a new way, by linking all facilities to a certain style, like we do today on all products that has it's own digital product passport. The information will be collected through our Product DNA system, where our suppliers report on supply chain information related to each style, and provide evidence like transaction certificates or COO documents.*

5

**Customer engagement and Connectivity**

**Goal :**

- Launch digital ID/product passport, with circularity and transparency as purpose.
- Communication of Holzweilers' sustainability strategy and 2022 sustainability report
- Improved score from Goodonyou.com.
- Use our physical and online channels to engage and build awareness among customers on the Holzweiler sustainability approach.

Status 2023

- Launch digital ID/product passport, with circularity and transparency as purpose.  
*Complete - we launched DPP with 6 suppliers in 2023, focusing on jersey and down jackets. When scanning the QR code in the care table, you access this particular garment's digital id, where you get to know the story of the product, learn how to care for it, as well as links to resale and repair solutions.*

- Communication of Holzweilers' sustainability strategy and 2022 sustainability report  
*This was not complete due to resources.*

**Status :**

- Improved score from Goodonyou.com.

*Complete - after a new evaluation Holzweiler was scored one level up.*

- Use our physical and online channels to engage and build awareness among customers on the Holzweiler sustainability approach.

*Complete - we've built engagement in several channels throughout the year. We updated Holzweilerslo.com with more information in regards of sustainability, posted care & repair content on SoMe, communicated reuse, educated staff in our stores and arranged a do-it yourself sewing event made with deadstock, to name some. DPP also plays an important part in this as it brings the opportunity for the customer to make a more conscious purchasing decision.*

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**Goal for coming years**

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**Going forward in 2024 we are still committing to the Holzweiler Sustainability strategy 2030 with commitments and goals divided in 4 main pillars:**

**1. Climate and Environment**

**2. Human rights and Decent working conditions**

**3. Traceability and Transparency**

**4. Customer engagement & Connectivity**

Where our commitments up to 2030 are:

1. In 2030 we produce only what we need, with renewable energy and efficient energy use. We are 100% circular using everything we leave behind as a resource.
2. In 2030 we ensure decent and safe working environments for all workers involved in our productions, with our responsible purchasing practice as a foundation.
3. In 2030 our supply chain is traced from top to bottom and information is shared publicly.
4. In 2030 Holzweiler community is well-established with sustainability as a foundation. Product passport ensure information sharing and promotes circular initiatives.

“The next big thing out of Scandinavia”

As a forward-thinking company that is growing in global markets, sustainability is both a requirement as well as an integrated part of Holzweilers' values. A great commitment creates opportunities in a changing industry. This commitment will be a success factor when entering new markets. Being a responsible actor that complies with all regulations before they are introduced, always utilizing the latest innovations to become better. Not because we have to, but because it's doing the right thing. We believe this will give us a lasting place in the industry – with healthy financial success.

Our ambitious gameplan for a responsible business practise is defined and allows us to create positive impact on

our journey. We are taking a holistic approach and embedding sustainability in every part of our business, from product development, through supply chain, marketing & communication and sales, to the end of each product's life.

We have also structured the goals for the coming year 2024 under these four pillars:

2

### **1. Climate and Environment**

- Increase number of products sold at full price through own retail and collect numbers from key wholesale partners.
- GHG emission roadmap - plan for how to reduce coal in production.
- Two projects on using our own textile waste or deadstock into new productions, will be initiated.
- Prepare for accessible repair services globally through a products digital product passport
- Prepare for accessible resale services globally through a products digital product passport
- increased share of materials used in production made of preferred materials.

3

### **2. Human rights and Decent working conditions**

- Continue the responsible purchasing practices project (two year project 23 and 24) follow up the actions going forward.
- Two way code of conduct.
- Open costing – consider how this affects supplier and us and how to make it beneficial for the collaboration.
- Identify and set KPI's on our own purchasing business practices (long term relation, challenges, sourcing strategy).
- Map out via survey to suppliers status on Grievance mechanisms, workplace dialogue and worker representation.

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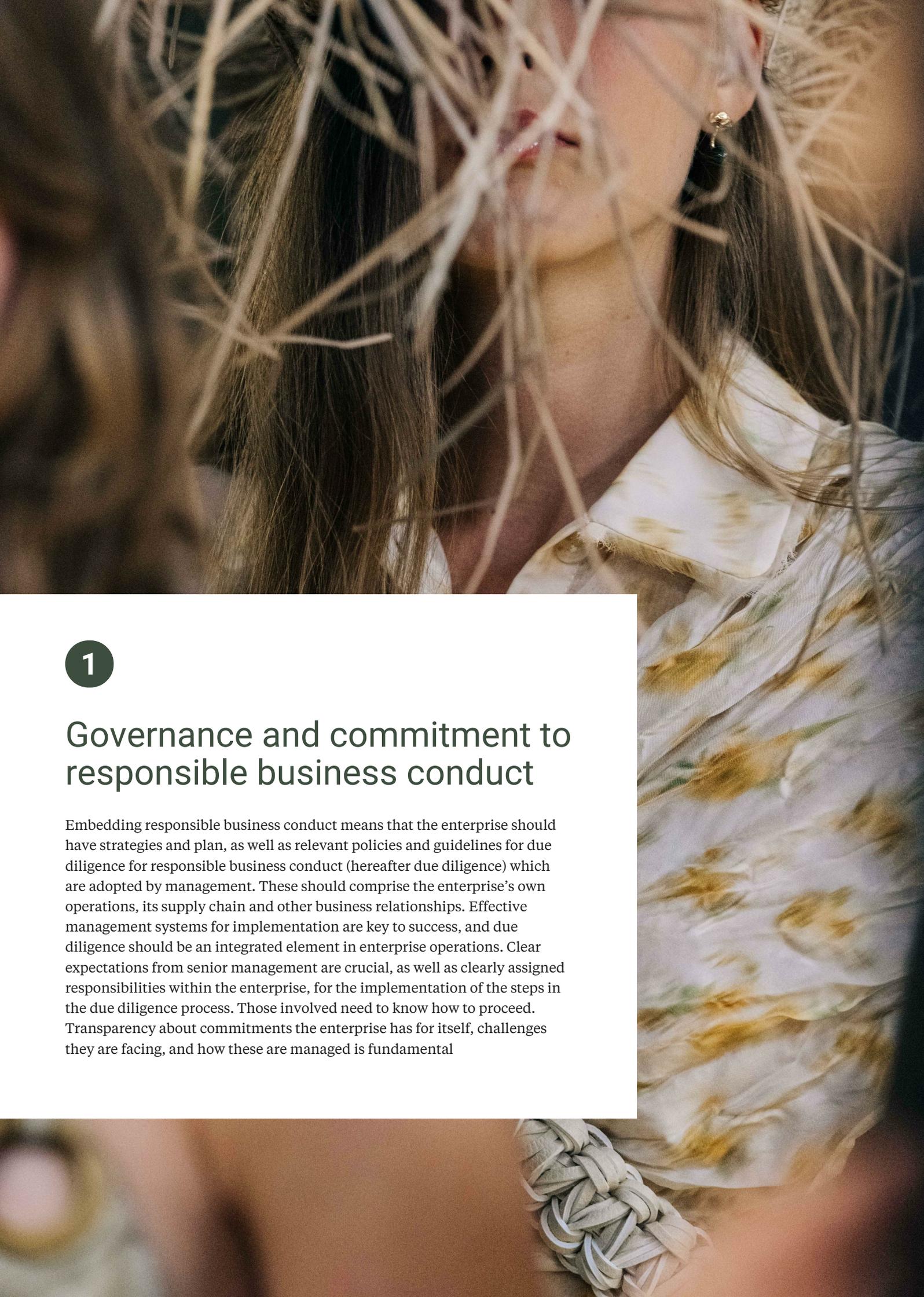
### **3. Traceability and Transparency**

- Share information on factory, material supplier, dyeing- and printing facility on all products.
- All suppliers will be onboarded to our Product DNA & certificate manager system.

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### **4. Customer engagement & Connectivity**

- By the end of 2024 all categories except accessories will have digital product passports.
- Engage our costumers to take action on reuse, resale, care and repair.



# 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://holzweilerslo.com/article/holzweiler-policies/>

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

Our Policies and guidelines for responsible business conduct are communicated in several documents setting requirements for our company and employees and for our suppliers and partners. All are available at <https://holzweilerslo.com/article/holzweiler-policies/>

The sustainability information on our website was updated in 2023 and there you can find further information about how we work with sustainability, such as: our 2030 commitments, preferred fibre overview, material guide, digital product passport, suppliers list, care and repair tips, our policies and guidelines, eco-design criteria, sustainability and diversity reports and other related circularity projects.

You can find the information related to sustainability and responsibility here:

<https://holzweilerslo.com/article/sustainability-statement-2023/>

We regularly update the content and expand the topics we publish.

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

Holzweiler's commitment to be a responsible employer and to respect workers and human rights is embedded in steering documents, policies and guidelines. These are made operational through an approach based on identification and management of risk and the concept of due diligence.

The Holzweiler Supplier Code of Conduct and relating human rights and sustainability policies are embedded in the organization and approved by the top management and the board.

These documents are included as an appendix in the personnel handbook, which all employees are introduced to upon employment. In addition to this, all departments have received an introduction to the content of the policies and guidelines. All new employees receive the same when they are onboarded.

The following key steering documents guide our work:

- Responsible business Guidelines and Code of Conduct for suppliers and business partners : Outlines our expectations and requirements for business partners such as suppliers, sub-suppliers and factories.
- Responsible Sourcing Policy: Set out human rights due diligence as a key part of sourcing of new suppliers, business partners and markets for production.
- Policy for Responsible Business Conduct: Outlines the expectations to our own business conduct.

The above and other policies and guideline documents support the commitments in our sustainability strategy.

A list of all publicly available policies and guideline documents can be found in the appendix in our company sustainability report and on our website: <https://holzweilerslo.com/article/holzweiler-policies/>

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## 1.B Organisation and internal communication

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

The CEO and top management including the board, have the overall responsibility for the sustainability strategy, for approving company guidelines and decision making.

The CSR team, formed by Corporate Social Responsibility manager and Social Compliance Manager, is responsible for advising the management on goals and strategies, to analyse risks and opportunities, to coordinate the implementation of goals and to communicate results. They work closely with the entire organization on the implementation of the strategy and actions.

The work with due diligence assessments is led by Social Compliance manager Margrethe Vikanes in collaboration with Line Staxrud Eriksen. The CSR team is responsible to present the due diligence assessment and discuss the priorities with the management before it is embedded with the individual department and team managers.

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

We contribute to the UN's Sustainable Development Goals and have prioritised to focus on:

Goal 8 Decent work and economic growth

Goal 12 Responsible consumption and production

Goal 13. Climate action

Goal 17. Partnership for the goals

This is a predominant focus through our due diligence assessments, in the assessments we make during our purchasing and in collaboration with suppliers and business partners.

Mapping and identifying risks are a process that is constantly ongoing. In an industry that is known for a large negative impact on climate and environment, complex supply chains and poor working conditions, and where new guidelines, risks and truths constantly become part of the overall picture, it is not difficult to uncover conditions that needs to be addressed.

For more details on the Due Diligence work, read more details under 2A2.

**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?**

Sustainability is a well-established part of Holzweiler's strategy and is implemented in all departments, in the management and in the board. The commitment to this work area is great, and all departments take responsibility within their field.

The CSR team includes and has regular contact with departments such as Design & Merchandising, Purchasing & Production, Marketing & Content, Sales, Supply Chain, IT & Process manager, Human Resources & Finance depending on running projects and priorities. Each department is responsible for implementing process to follow up on tasks related to them.

One example is to implement procedures to prevent false or not documented green claims on any platform together with marketing, ecom and content.

How we approach a sustainable business practices is communicated in monthly morning meetings with all employees, via newsletters, in training and onboarding and is in general a topic that is widely discussed within Holzweiler.

Some employees have dedicated tasks related to sustainability and due diligence in their positions, others work with concrete sustainability-related tasks on a project basis or have due diligence assessment as a natural part of their work.

For example, it is natural that the buyers work according to our purchasing practices, e-com works on sustainability communication on our website and the design team sources sustainable and durable materials for products.

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

The most important skills are developed through the work and experiences we do in our daily work and by that understand more in depth our supply chain and industry's challenges. Sustainability in the textile industry is not a trend but a licence to operate and what is right today is not necessarily the correct answer tomorrow. We experience steadily stricter requirements and regulations, higher expectations from stakeholders and the development of more sustainable solutions are steadily going faster. It is therefore important to constantly be up to date on developments, regulations and initiatives, and to be able to assess this based on the experience we have gained and the needs we have in our supply chain.

Our competence is a combination of internal knowledge & experience, networks, courses, advice from stakeholders and participation in forums and conferences, focusing on sustainability and responsibility within the textile industry.

During 2023 representatives from buying, production, merchandising, design and csr have participated in the Responsible Purchasing Practices project. Through bimonthly meetings and webinars, including also three key suppliers, we have explored and increased our knowledge on how we can work on and ensure a more responsible purchasing practice and learned practices from other brands and suppliers. This project has given us valuable input to how we can adjust our practices, how to evaluate our critical path and how to collaborate closer with the suppliers.

In 2023 we have also via Ethical Trade Norway's network explored and gained some more knowledge on performing due diligence in Asia and the challenges related to this work. Besides we have explored with other norwegian brands possibilities and challenges within living wage related topics.

Fall/winter 2023/24 we have been doing huge make-over on our IT structure, by upgrading our ERP system, implementing a new PLM system and an upstream data collection system (Product DNA and certificate manager delivered by our care label supplier, Trimco. All in all this will improve how we gather and verify supply chain data, which will give increased knowledge and information from the whole supply chain. This is in line with increased requirements on traceability and transparency - both a prerequisite for due diligence and to be compliant with the coming regulations.

The recent years our Purchasing manager and Production Manager have attended Responsible Purchasing Practice course with Ethical Trade Norway. We have joined multiple courses and workshops with them during the past years, on risk mapping, prioritization and improvement, Workers Representation, among others. In addition, we have participated in several events via NF&TA, in the field of extended producer responsibility, circular economy, sustainable communication, blockchain technology and sustainable packaging.

Collaboration is important to increase competence and to spar and share knowledge with others. We participate in the following initiatives:

- Digital Product Passport working group, initiated by NF&TA (cluster for the Norwegian textile industry), and joined by other parts the DPP ecosystem, like providers of systems (ERP, data collection, DPP), NGO's (Svanemarket, Etisk Handel Norge, GS1) and textile brands. The working group shared a industry manual for DPP in 2023, based on the groups work.
- Digital processes, with NF&TA and OsloMet

We have also shared our knowledge on DPP by presenting on Ethical Trade Norway's yearly conference, on Oslo Innovation week and on GS1 virtual conference.

We obtain information from the Ellen MacArthur Foundation about the circular economy. We read and listen to Business of fashion and Innovation Forum, we read newsletters and relevant issues from Ethical Trade, and other organisations. We subscribe to Ecotextile news and the bi-monthly magazine which is covering a lot of relevant topics and articles within sustainability in the textile industry.

In addition to this, we spar with others who work with sustainability in the same or other industries, and with our contact at Ethical Trade Norway.

## 1.C. Plans and resources

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

Holzweiler will run a profitable business on the right ethical and responsible terms. The work with sustainability is a high priority and encompasses all departments in the company, in addition to the board.

The work is anchored through Holzweiler's sustainability strategy, where the main features of what we will work for are described. The strategy is attached to this report, and here follows a brief summary:

Sustainability is a natural part of what Holzweiler does. A great internal commitment is the driving force in the work we do.

This commitment will give creative power and an opportunity to contribute to our common future and heritage, where the main goal is continued growth on the right terms.

Our strategy is created around these four pillars:

- Climate & Environment,
- Human Rights & Decent Working Conditions,
- Traceability & Transparency
- Customer Engagement & Connectivity.

Read more on our strategy in our website: <https://holzweileroslo.com/article/sustainability-statement-2023/>

Holzweiler will implement a number of initiatives that will support the strategy and objectives, all agreed on in our management team.

- We will continue to collaborate with suppliers to map the need for actions in our supply chain and in our own business.
- We will focus on workers wages, insurance coverage and representation.
- We will improve how products are designed and produced, including what they are made of, according to Holzweiler eco-design criteria.
- We will continue to focus on care and repair of products and increased knowledge about the maintenance of the products, both internally and for customers.
- We will increase the number of products that will live long in stores without being sold with discount.
- We will look for global solutions for resale and repair.
- We will make sure all products come with a digital product passport.
- We will reduce our GHG emission by measuring and initiate actions.
- We will trace our supply chain step by step towards raw material.

The design and collections must reflect what Holzweiler stands for, and thus create a more holistic sustainable concept.

Holzweiler will be an attractive brand for a target group that increasingly shares our values.

**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?**

Objectives, action plans and progress are based on the company's strategy, and presented to and approved by senior management and board members. Our 2024 action plan is in progress, and also attached to this report.

It is particularly important for the management that we work strategically towards regulations and are in alignment with EU's textile strategy, the Transparency Act , The Green Deal, ESPR and upcoming legislations, and that we can show improvement on the areas agreed on.

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## 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?

The importance of responsible business practices is a topic in the very first meeting with a possible supplier or partner, and is on an equal footing with other topics such as quality, price, volumes and how we experience the dialogue. We share information about our sustainability strategy and the requirements we set in it, as well as our purchasing practices and the processes we work with through design, production and delivery.

#### **We have developed minimum criteria for suppliers and business partners.**

The minimum criteria provide the groundwork necessary for the pre-qualifying of and cooperation with suppliers we choose for Holzweiler production or services. Some criteria will be general and apply to all suppliers and partners, whereas other will be more specific, based of prioritized risk within the company's supply chain. **The main steps to identify and address risks in the supply chain are:**

- Supplier qualification criteria and contract terms that include human rights, labour and environmental conditions.
- Screening and assessment of performance of all suppliers before initiation of cooperation.
- Improvement work and remediation activities to close gaps towards our requirements when needed (next step might be possible capacity building activities to facilitate sustained improvements).
- Continuous tracking of activities and impact.
- Communication and dialogue with relevant stakeholders on identified risk, measures taken and strategies to address them jointly.

#### **The minimum criteria defined until now (but not limited to);**

General minimum criteria for suppliers and business partners:

- The supplier provides information such as company profile, social audit report + CAP status (must be less than 2 years old), certificates, policies or other relevant documentation for us to evaluate.
- Factories with BSCI social audit must minimum have score C. (Rating from highest to lowest: A, B, C, D, E, none).
- The supplier has replied to supplementary questionnaire when necessary.
- The supplier must comply with Holzweiler's Responsible Business Guidelines and Supplier Code of Conduct, Chemical guide and General Terms and Conditions by familiarizing themselves with the content and confirm that our requirements will be followed for all our productions, with a signature.
- The supplier has provided us with a contact person for following up our Code of Conduct for suppliers.
- The supplier can show a management system for supervising the Code of Conduct for suppliers.
- Access: the supplier provides us or partners access to place of production and relevant belonging buildings, such as the canteen and dormitories.
- Production processes that reduce negative environmental impact
- Access to sustainable materials and production processes – preferably with relevant certifications
- Dialogue and the willingness to cooperate on improvement areas.
- Gut feeling, easy to communicate with, good fit for our size, references from other customers/brands, etc.
- The Supplier is willing to share information from their supply chain, such as relevant certificates, audits and answer our questionnaires on how they work with sustainability, covering ethics, social and environmental management. It is of high importance that the supplier has an overview over, and shares information about where the different parts of a certain product are produced, as well as where the raw materials come from.
- Other minimum criteria from design, buying & production and finance are defined in separate documents.

Minimum criteria for prioritized areas of risk:

- Suppliers must have a worker committee or at least a worker representative with direct communication with the management.
- Grievance mechanisms that allow employees to escalate grievances must be established. Information about grievance channels and procedures must be communicated to all employees.
- Suppliers must make sure that there are efficient use of resources and that all waste from the facility is sorted and recycled.

- Suppliers should have an environmental management system to measure, assess and reduce the impact from their production.
- Suppliers can show specific certifications that handles certain raw material risks (for example but not limited to GOTS, OCS, GRS, RWS, RMS, Fairtrade, PEFC, FSC, EU Ecolabel).
- Suppliers are willing to share information about minimum tier 1 and 2 suppliers involved in the production of each product delivered to Holzweiler, including materials, dyeing and printing.

These are the steps we follow when evaluating a new supplier:

Holzweiler provides the supplier with " Holzweiler´s way of working", including our onboarding program and our policies.

Holzweiler´s way of working:

At Holzweiler, we are committed to be a responsible and liable partner for our suppliers. We´re also committed to make positive change in the way we design, produce, and transport our goods. Holzweiler´s Policies including Supplier code of conduct, sets requirements for both our suppliers and for us as a partner.

Transparency and traceability are key elements in our work. We aim to trace our items from final product and all the way down to raw material, by 2030.

This requires a good relationship with all our suppliers on information sharing. Partners must also allow for Holzweiler to publicly name the factory and other parts of the supply chain.

In addition, our goal to become Net-Zero in 2040 also requires our partners commitment and that we work together to achieve this.

Onboarding program:

- The supplier provides information such as company profile, audit report, certificates, policies or other relevant documentation for us to evaluate.
- Holzweiler send out supplementary questions to the supplier when necessary.
- Holzweiler evaluates this data before moving on to the next steps.
- The supplier must comply with Holzweiler´s Supplier Code of Conduct, by familiarizing themselves with the content, and confirm that our requirements will be followed for all our productions, with a signature.
- The Supplier will be onboarded to our erp systems, where they supply data on their supply chain, upload certificates and information to document how they work with sustainability, covering ethics and social and environmental management.

How we evaluate:

After receiving all documentation, the potential partner will be evaluated after the following criteria:

- A total assessment of the supplier´s compliance with our Code of Conduct, put in context with local laws and risks in the country of production.
- Willingness to share information on subcontractors and production processes.
- Policies and measures in place to ensure decent working conditions.
- Production processes that reduce negative environmental impact.
- Access to sustainable materials.
- How the cooperation would affect on our sustainability targets.
- Dialogue and the willingness to cooperate on improvement areas.

The CSR team maintains dialogue with suppliers throughout this process collecting information and following up documentation.

The buyers talk to the suppliers about price, volume and delivery time. They work according to our responsible business conduct and sourcing policy, which states that Holzweiler shall not operate in a manner that leads to a breach of our own policy.

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Indicator

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



These are agents/intermediates and manufacturers from whom we trade directly.

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



A substantial number of new suppliers were added to the supplier portfolio and produced goods for Holzweiler in 2023, that is the main reason for the share of long term relation is reduced.

General comment: These are agents/intermediates and manufacturers from whom we trade directly. We have worked with some of these ever since we started production in 2012. There are also several manufacturers and suppliers further down the supply chain that we have worked with for many years.

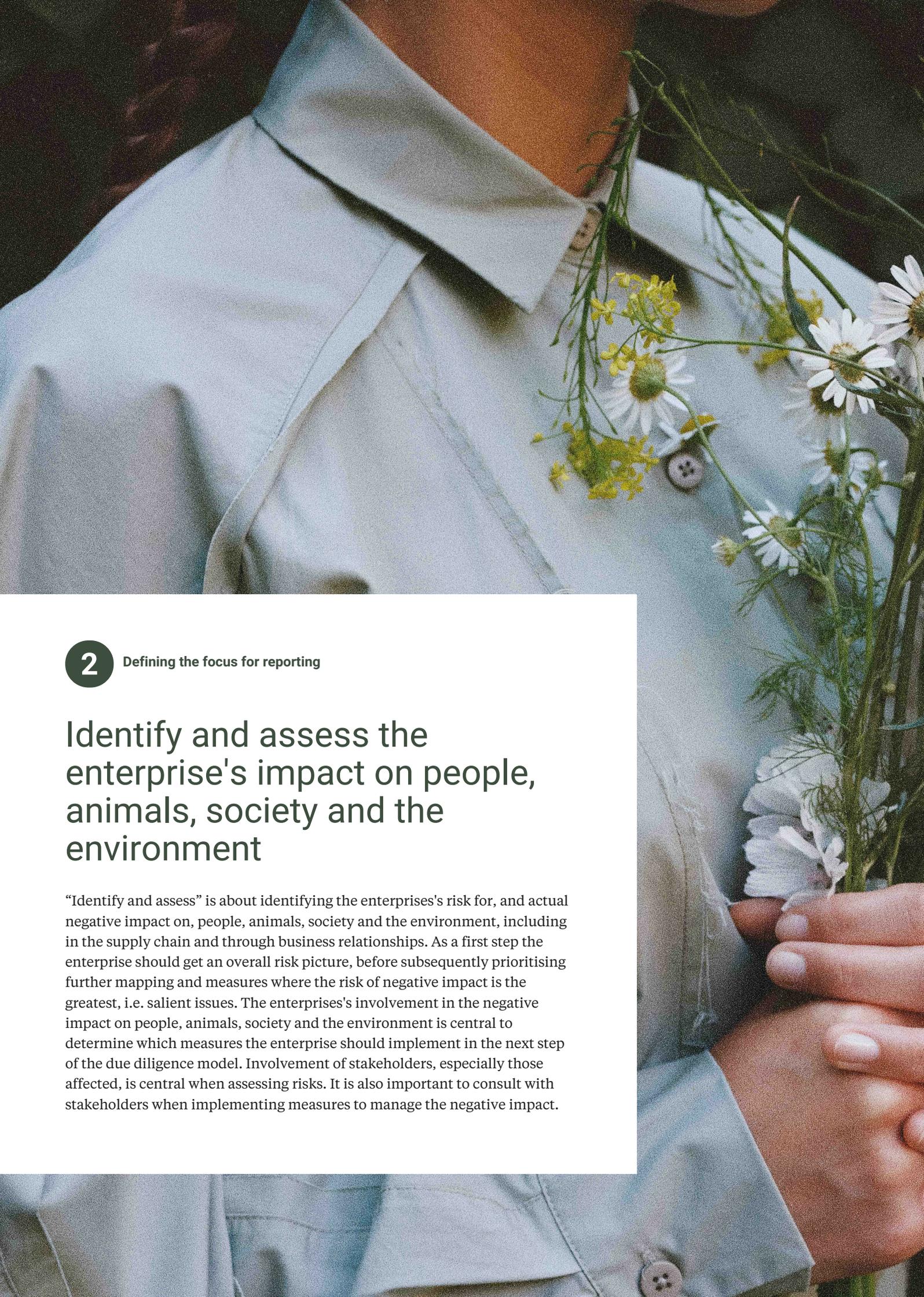
## 1.E Experiences and changes

### 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?

In the past year, sustainable business practices have moved up even higher on the agenda and have long since become a hygiene factor that is expected by all stakeholders. New regulations have come into force and several is yet to come. As a result, we see the importance of constantly improving how we document the work we do, as well as communicating it in an open and honest way. On our website there can be found more information on our sustainability statements and commitments and other information we share to engage customers and other stakeholders, for the same reason.

We have been informed that NGOs operating in China recent year have a reduced room for doing investigations and that performing tasks related to enhance workers' rights are more complex than before. New laws regulating the society's security, sanctions and social surveillance can make it more challenging to ensure the desired level of transparency and traceability in the supply chain. This makes us more aware of the uncertainty for the people in the supply chain and that we have to consider cautions in communication and approach.

The importance of transparency has become even more clear and we see that the implementation of Digital Product Passports (DPP) has pushed us to get more knowledge and control of our supply chain. Deep-diving in to a few suppliers' supply chain, has given us new and valuable information that we now share with our customers.

A close-up photograph of a person wearing a light blue button-down shirt. They are holding a bouquet of fresh flowers, including several white daisies and clusters of small yellow flowers. The person's hands are visible at the bottom right, gently holding the stems of the bouquet. The background is dark and out of focus.

## 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
Design processes that do not facilitate longevity and circularity, nor safe inputs.	Environment Animal welfare Emission Waste Water Use of materials	Global Norway
Water and Chemical use in production	Occupational Health and safety Environment Water	Global
Choice of materials and fibre	Environment Emission Energy Waste Use of materials	Global
Textile waste	Environment Waste	Global
Greenhouse gas emissions	Environment Emission	Global
Animal welfare	Animal welfare	Global

Worker representation & Freedom of Association	Freedom of association and collective bargaining	Global China
Supply chain traceability	Forced labour Child labour Discrimination Occupational Health and safety Wages Working hours Regular employment Marginalized populations Corruption Greenhouse gas emission Waste Water	Global
Wages, insurances and overtime	Freedom of association and collective bargaining Wages Working hours	Global China

The risks described as “global” in the table above represents the salient risks we partially or fully identify in the industry, country or region where we source. It might vary the extent and level of risk but we listed the risks to keep focus on assessing and address the risks. Where specific country is mentioned, it is representing where we have the largest size of spend/volume and therefore prioritised our efforts. See more on how we prioritise the risks below under 2A2.

## 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.**

About Due Diligence:

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

We contribute to the UN's Sustainable Development Goals and have prioritised to focus on:  
Goal 8 Decent work and economic growth  
Goal 12 Responsible consumption and production  
Goal 13. Climate action  
Goal 17. Partnership for the goals

This is a predominant focus through our due diligence assessments, in the assessments we make during our purchasing and in collaboration with suppliers and business partners.  
Below we have elaborated on the topics in the order of the indicated letters;

How we describe the following questions:

a) the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period:

c) how information was gathered, what sources were used, and which stakeholders have been involved/consulted:

Mapping and identifying risks are a process that is constantly ongoing. In an industry that is known for a large negative impact on climate and environment, complex supply chains and poor working conditions, and where new guidelines, risks and truths constantly become part of the overall picture, it is not difficult to uncover conditions that needs to be addressed.

Due diligence assessment is done by analysing and evaluating data from the supply chain on our main product groups and the assessment includes country specific risk indicators. By this we have recognised several challenges in the textile supply chain affecting people, animals, society and the environment. By sourcing materials or fibres with third party certifications like GOTS, GRS, RWS, RDS and we reduce some of the inherent risks. More on this is described under chapter 3 Cease, prevent or mitigate.

The mapping of risks starts with an assessment of the textile industry's challenges in the countries where our production is located. These can vary greatly from country to country, both in terms of what the biggest risk is and how serious the risk is. We have linked this information up to the largest volume of products and raw materials and assessed them through the value chain by using ETN template for risk mapping.

The risks described as "global" in the table above represents the salient risks we partially or fully identify in the industry, country or region where we source. It might vary the extent and level of risk but we listed the risks to keep focus on assessing and address the risks. Where specific country is mentioned, it is representing where we have the largest size of spend/volume and therefore prioritised our efforts.

We have prioritised the risks based on several considerations where the major points are (but not limited to):

- 1. where the salient risks are of medium to high level and concern
- 2. relevance to the size of spend and volume – higher spend and volume represent a bigger impact than where the spend/volume are lower
- 3. where we consider having the best possibility to influence positively
- 4. where we can support the work with the resources we have internally or together with relevant external partners.
- 5. where stakeholder engagement or dialogue with industry peers have set the focus on topics which need to be addressed

The salient issues are often of an extensive and complex nature and requires us to approach them step by step by setting our focus on some selected areas and moving to the next. We seek dialogue and support with stakeholders if we need to get advise on how we should prioritise.

For example our vision to create long-lived products resulted in Holzweiler Eco design criteria, our wish to connect with our customers resulted in Digital Product Passport and our wish to be a good partner to our suppliers resulted in the work on reviewing and evaluating and our purchasing practices.

In production related due diligence topics, Holzweiler local office in Shanghai is an important player to gather information and engage locally with suppliers or stakeholders. In addition, they contribute with their perspective, which gives us a greater understanding of how and why things are the way they are when it comes to manufacturing in China.

When the overall supplier risk mapping is done, the next step is to survey and assess conditions at our production sites. We will in 2024/2025 replace the TrusTrace digital platform for supplier and factory follow-up, data acquisition and supply chain tracking to a new platform more integrated in the ERP system. Our goal is that this platform can be used to collect supply chain data, certificates, social audits and corrective action plans from

suppliers. By collecting data through the platform, all information will be stored in one place and is easily accessible. We expect this tool to cover more of the areas we need to map going forward. Dialogue, Social audit reports and CAP forms the foundation for our supplier evaluation.

In 2022 we started to perform an internal supplier evaluation for existing suppliers on an annual basis. CSR performance is equally weighted alongside input from design, production, quality, logistics. The Suppliers and factories with high level of performance on social and environmental aspects are highlighted for the departments involved in supplier relations. Other sources and information for conducting Due Diligence in the supply chain: Business of Fashion (BOF)'s annual sustainability index is a great source to get valuable information on where the fashion industry is moving - and where it should be moving. It covers all the areas in our sustainability strategy. Same goes for the EU sustainable textile strategy, setting the path for the textile industry. We use sources recommended by ETN and we request their advice and input when questions occur. Other sources we find useful for working more in depth with risk topics and mapping further are (but not limited to): BOF's State of fashion report, ilo.org, transparency.org, Fair Wear Foundation Country studies, MVO Risk checker, The Danish institute for human rights guidance and Gender responsive due diligence. In addition we read relevant publications and have discussions with other textile businesses, forums or organisations.

b) eventual aspects of the company that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work:  
Indirect services like office material and warehouse services in Norway and Sweden are not included in the due diligence assessment due to considered as low inherent risk.

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 general there is rarely a lack of documentation from the production sites. The biggest challenge we see is being able to validate whether the information we gather is 100% correct - even in information we get from audit reports. Finding better methods for this, as well as initiating measures for validation, will be a focus going forward. For 2nd and 3rd tier suppliers and raw material level, we have started data collection through the digital product passport. We will step by step expand the range of products and supply chains we will gather such information for through the system integrated with the new ERP system.  
So far the areas we need to work more in depth on understanding better are issues related to workers' wages, insurance and coverage, worker representation and grievance mechanisms. This work will continue and is also embedded in other related topics like for instance purchasing practices.

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## 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.**

An important stakeholder, the average consumer, do not have enough knowledge about how clothes are made. Brands tend to not share all relevant information, which unable them to make conscious purchasing decisions on the right premisses.

To be able to improve the fashion industry's impact on people, society and the environment, we need our customers onboard. By providing detailed information on how the products are made and by whom, they will have a better foundation to base their decision on.

We need people to understand that ultrafast and fast-fashion is not the way forward, and that quality is more important than quantity. We also see that the customers focus needs to switch even more to the thought that fewer and better items is what they should aim for.



### 3

#### Management of salient issues

## Cease, prevent or mitigate negative impacts

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

### 3. A Cease, prevent or mitigate

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

Salient issue	<b>Design processes that do not facilitate longevity and circularity, nor safe inputs.</b>
Goal :	Implement Eco-design criteria in all design processes
Status :	Design and production team is trained on Holzweiler Eco-design criteria.
Goals in reporting year :	Implement eco-design to the design process

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

In 2023 our design and production team was trained in Holzweiler eco-design criteria. The criteria is based on four pillars: Design with safe inputs, Design for longevity, Design for material cyclability and to Enable circulation.

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

2023:

We are still in implementation phase. Internal awareness and competence has been raised. There has been some issues in the validation process that has slowed down this work, but despite that we already see some results on this topic.

As a start we've focused on the safe input and durability on some selected jersey items, and durability and repairability on our down jackets program. Ensuring certified raw materials as well as conducting property and chemical tests has been carried out. The results of the tests conducted was within the requirements in the criteria set.

We also did a desktop LCA on 4 jersey items to see what kind of information we could retrieve from it, which was very valuable. So, in 2024 we will initiate more LCA´s to ensure we design and produce to optimize the lifecycle of our products, and include more eco-design criteria in multiple categories.

<b>Salient issue</b>	<b>Water and Chemical use in production</b>
<b>Goal :</b>	Reduce water and chemical use in the supply chain.
<b>Status :</b>	Revised Chemical guidelines is established and increased usage of materials made with less water and where waste water is cleansed.
<b>Goals in reporting year :</b>	Increase the share of GOTS certified Organic cotton, Lenzing materials and increased chemical testing.

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

All suppliers sign each update on our Chemical guide. The guide shall target that our production comply with the chemical legislations in force and applied recommendations in the fields of textiles, clothes, leather goods, shoes and packaging materials.

We have strengthened the knowledge of chemical use by partnering with an external expert within this field who provides guidance and advice.

We have increased the share of some of the above materials. Organic cotton has reduced, due to less quantities on jersey products. See Choice of materials and fibers below.

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

2023:

Revised Chemical guidelines was communicated to all suppliers in February 2023 and will be included in the onboarding with new suppliers.

Establish a regular/permanent Lab and service provider for performing tests on chemicals content, textile physical properties and perform quality inspections on site where needed. These inspections will be in addition to those performed on a regular basis by the Holzweiler production team in Shanghai.

The share of less water intensive fibers, Lenzing fibers, increased in 2023.

For 2024, we will continue the focus on fibers with reduced water and chemical impact.

<b>Salient issue</b>	<b>Choice of materials and fibre</b>
<b>Goal :</b>	Source more sustainable materials (with less social and/or environmental impact) within our criteria for quality and durability.
<b>Status :</b>	This is an s an ongoing process that is always part of the sustainability strategy towards 2030. We have increase the share of more sustainable materials from 2022 to 2023, as listed below.
<b>Goals in reporting year :</b>	Increase the share of more sustainable materials (less impact materials) in our productions, and at the same time ensure our requirements for quality and durability.

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

In 2023, we increased the use of certified materials and materials with less negative impact. Climate and environmental impact, social and ethical aspects and animal welfare, are the reasons for these choices.

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

2023:  
Using our Eco design criteria as a guidance will strengthen the focus on choosing materials with a reduced climate/ environmental and social/ethical impact. We have set internal volume rules to ensure that all volume products and re-runners are made with certified fibers. We´ve specifically focused on introducing more Lenzing fibers to our products and to grow the use of animal fiber certifications, with successful results. This will be a continued focus in 2024.

**Indicator**

**Share of certified organic cotton (GOTS and OCS), based on total cotton consumption.**



Reduced share of organic cotton is due to reduced orders on jersey in 2023.

**Share of recycled cotton, based on total cotton consumption.**



Reduced share of recycled cotton is due to reduced orders on jersey in 2023.

**Share of wool sourced as Responsible Wool Standard (RWS), based on total wool consumption (excluding mohair).**



**Share of wool sourced as Responsible Mohair Standard (RMS), based on total mohair consumption.**



**Share of recycled wool, based on total wool consumption.**



Reduction is due to less volume purchased of wool scarfs.

**Share of Responsible Down Standard (RDS) down, based on total down consumption.**



**Lenzing Eco Vero Viscose share of total viscose fibre consumption.**



**Lenzing Tencel and Lyocell share of total viscose fibre consumption.**



### Recycled polyester and Nylon/Polyamide



Increased use is related to increased orders on outerwear

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<b>Salient issue</b>	<b>Textile waste</b>
<b>Goal :</b>	Reduce waste from our productions and sampling process, as well as ensure that Holzweiler products do not end up as waste.
<b>Status :</b>	Measures to prevent waste have been implemented, but not as initially planned. We see that we need to implement better systems for storing and collecting data on waste in general. Remaining inventory on previous collections is sold or donated.
<b>Goals in reporting year :</b>	Get an overview of samples and previous stock to give them a new life, and set the framework for an internal waste policy.

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

We still have a way to go to define all areas of our waste policy. We see the need for better systems to implement it in our daily work, and for measuring progress.

Here's what we done on the waste issue during 2023:

- In our Eco-design criteria we focus on the creation of products that are made to be recycled when reaching end of life, and products designer for longevity. To be implemented in design process in 2024.
- We have expanded the digitisation of the design process using the CLO 3D tool, to minimise number of samples that are developed.
- Samples are sold at our collection sales.
- We have donated remaining items from previous collections to Fretex, where they can sell the products in their own stores and the turnover goes to their work in the Salvation Army.
- We have sold excess inventory, samples and claims through TISE- Second chance and renting out with our partner Fjong.
- Flood damaged knits sent to be recycled.
- We did a collaboration with Fæbrik, using left-over materials from previous seasons into new products.

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

Some of the measures above gave products and/or materials a second chance. They also bring a greater attention to how we set quantities for buying moving forward.

We will continue our focus on waste reduction in 2024 by:

- Report on products designed for longevity and material recycling
- Increase the use of CLO 3D
- Include global resale opportunities in our products digital product passport
- Set baseline and implement measures to reduce overproduction

<b>Salient issue</b>	<b>Greenhouse gas emissions</b>
<b>Goal :</b>	Net-Zero
<b>Status :</b>	Climate accounting is not completed by the time of reporting due to reduced resources. We will share the climate accounting as soon it is ready. Climate accounting was carried out for the first time for 2021, and we are continuing with our third account for 2023. This will be the foundation for defining objectives and roadmap for reduction targets.
<b>Goals in reporting year :</b>	Complete our third year with Climate accounting for scope 1, 2 and 3, which will give us a baseline, measured from the 2021 climate accounting report. This will be the basis for defining objectives to deliver on the Green deal targets.

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

Climate accounting for 2023 - third year of accounting scope 1, 2 and 3. Climate accounting is an essential part of one of four pillars in the Sustainability strategy: Climate and Environment.

Other measures in the reporting year which have been carried out:

- We have gathered info on the use of renewable energy in our productions, focusing on our suppliers in Portugal as a start.
- We produce a whole range of products (Holzweiler Items collection) that will live in store for at least two years before they can be discounted, with the aim to reduce discounted products and overconsumption.

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

2024:

GHG emission reduction roadmap for the coming years will be defined. We will explore opportunities to reduce our climate impact throughout our operations, and we will implement LCA on selected products to better understand where to put our effort.

<b>Salient issue</b>	<b>Animal welfare</b>
<b>Goal :</b>	Ensure ethical treatment of animals in the wool and leather industry
<b>Status :</b>	Animal welfare policy is in place with specific requirements for the animal derived fibres & materials we source.
<b>Goals in reporting year :</b>	Adjust and develop our standards for animal welfare and decide which certifications to source within.

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

We revised our Animal welfare policy and included more extensive requirements in the policy and in the Supplier Code of Conduct. We have dialogue with The Norwegian Animal Protection Alliance (Dyrevernalliansen) for their input to animal welfare.

We use several sustainable/ethical certifications for animal derived materials and they are included in our preferred material list. All down we used were Responsible Down Standard certified. We have increased the use of Responsible Wool and Mohair, and leather was mainly sourced from tanneries certified by Leather working group. By choosing certified animal derived fibre we ensure a better welfare for the animals and reduce the risk for bad animal welfare practices. The Amount of certified animal fibers is to be found above under Choice of materials and fibres.

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

2024:

Main target for 2024 on this subject will be to apply for Responsible Animal Fibre (RAF) certification. This certification is including Responsible Wool Standard (RWS), Responsible Mohair Standard (RMS) and Responsible Alpaca Standard (RAS).

We will strive to increase the share of certified materials in our product portfolio.

We will continue to explore non-animal materials which can be relevant for our portfolio to reduce the impact on animals, climate and environment.

<b>Salient issue</b>	<b>Worker representation &amp; Freedom of Association</b>
<b>Goal :</b>	Fair workers representation established at all key suppliers enabling workers to take an active part in workplace processes.
<b>Status :</b>	Subject is set as a part of our Supplier Code of Conduct and minimum criteria for sourcing suppliers and business partners. We are in the process of mapping and gathering data on worker representation (WR) and Freedom of Association (FoA) in the supply chain.
<b>Goals in reporting year :</b>	Assessing the worker representation at existing suppliers and ensure mapping of this area with new suppliers.

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

We gathered basic info on decent wage/living wage areas from audits and available info, here also some information on WR and Freedom of association were included, but with limitations depending on the audit and source of data. As our plan to join FWF was not possible to fulfill, we will explore how we shall go ahead on this area in 2024. We will update and gather more data on these areas in the newly implemented erp system.

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

Due to reduced internal resources on CSR from august 2023 the work has been somewhat slowed down. We will continue this work in 2024.

WR and FoA are complex areas we see a need for working more on and continue understanding better. We need to increase our knowlegde, map and gather information. There are several related topics to this salient issue which we will include such as workers' wages, insurances and coverage, grievance mechanisms and social dialogue. This area is also embedded in other projects like for instance responsible purchasing practice project.

Here are the planned activities going forward:

- Assess the worker representation at existing suppliers and continue to ensure mapping of this area with new suppliers.
- Map and document status with suppliers on wage levels and structure, internal commitment, worker representation, insurance coverage, social dialogue and grievance mechanisms, training program and capacity building.
- Evaluate and plan for which suppliers we should intitiate to have dialogue on measures, - for example like training and capacity building programs or other measures we find beneficial.
- Continue to increase our knowledge on these areas by participating in working groups like Living wage project, Responsible Purchasing Practices project and by sharing experience and knowledge with industry peers.

<b>Salient issue</b>	<b>Supply chain traceability</b>
<b>Goal :</b>	100% traceable supply chain
<b>Status :</b>	100% traceability on supplier, manufacturer and sewing facilities, most fabric yarn/suppliers (tier 2), and multiple dyeing and printing houses (tier 2).
<b>Goals in reporting year :</b>	Implement a more efficient system for data collection for Digital Product Passport, as well as for transparency in general and internal awareness.

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

In 2023 we changed our system partner on supply chain traceability to Trimco Group, using their Product DNA & Certificate manager. Trimco is also our care label supplier so they are familiar with our production facilities, and our suppliers already login to their system to book care labels.

Alongside this change of partner we've collected supply chain data manually for our Digital Product Passports throughout the year.

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

2023:

For all products that has a DPP we shared information on supplier, factory, material supplier, dyeing and printing facility. For all others we have 100% control on supplier and factory, and most fabric/yarn suppliers and dyeing and printing.

By end of 2024 we aim to launch DPP with 80% of our suppliers, and in addition to the facilities mentioned above, we will include COO on raw material. Moving forward our suppliers will register all data for DPP in Trimco Product DNA & Certificate manager.

<b>Salient issue</b>	<b>Wages, insurances and overtime</b>
<b>Goal :</b>	Work towards fair wages / living wages in our supply chain.
<b>Status :</b>	Gathering of data is completed and we participated in an Living wage/Decent wage industry working group.
<b>Goals in reporting year :</b>	<p>Complete the data mapping on all suppliers and gather more detailed information where needed.</p> <p>Analyse and prioritise where to move on with closer dialogue and collaboration with selected key suppliers.</p> <p>Gather more knowledge on the living wage related topics and prepare for applying to Fair Wear Foundation.</p> <p>Share our learnings and experience within the industry working group.</p>

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

We have obtained information from suppliers, via self-assessments, audit reports and other documentation shared by the supplier. This is the starting point for the way forward. We acknowledge that cooperation on this topic will be essential, both cooperation with suppliers, other brands, NGOs and other players.

The data we have gathered on 32 suppliers indicates just a brief snapshot upon the time of the audit. Although the data is limited, it gave us a picture of how the suppliers match the minimum wage for the lowest paid regular worker at the site. Among the 32 mapped suppliers we found that:

0 suppliers have wages under minimum wage

5 suppliers match minimum wage

20 suppliers are above minimum wage

7 suppliers are over living wage

- and again this is for the lowest paid worker at the site - but the data does not say how many of the workforce this is for.

There are challenges to mapping such data, such as the data is depending on a selection of samples and the accuracy of them.

Also when digging deeper into the information it will arise more questions.

We have been participating in an industry working group for Living wage - lead by Ethical Trade Norway. Here we learned more on the topic and how we should manage and move on with the work. Increasing our knowledge is key and experience sharing is a part of being part of the working group. As our plan to join FWF was not possible to fulfill, we will explore how we shall go ahead on this area in 2024.

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

Due to reduced internal CSR resources from august 2023 the work has been somewhat slowed down, and we have to consider how to continue this work in 2024.

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## 3.B OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

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

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

General measures to prevent and reduce negative impact on nature and environment:

- Climate accounting to get an overview of today's emissions and be able to prioritise improvement actions and measure reduction.
- The lifetime of the products with a focus on quality, raising competence internally and with the consumer, and by implementing solutions for reuse. The purpose of this is to facilitate more uses and reduce the need to buy new clothes.
- Implemented ecodesign processes on some categories. The different strategies has dissimilar effect; Design on chemical and water usage, certified materials, as well as facilitating creation of products that are made to be repaired, made to be durable and made to be recycled.
- Choice of materials that have a lower negative climate and/or environmental impact.
- Increase use of Lenzing Ecovero Viscose, made from certified renewable wood sources using an eco-responsible production process.
- Digital product passport to be transparent on our work and to enable the customer to have relevant information to make conscious buying decisions, and to facilitate resale and repair.
- Established routines for internal and external testing of products through the development process to ensure that products are made in compliance with Holzweiler quality standards.
- Investigating LCA options

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

See information in 3.B.1

Our material sourcing impacts on the result of our climate accounting. We find that sometimes we need to chose between low impact materials or durability. Sometimes the more sustainable materials do not always prove to be as long-lasting in quality as the less sustainable ones, especially recycled fibers. On balance, we have a responsibility to design for longevity and keep seeking out materials that are more sustainable, and which meet our own quality standards for durability.

We have set some internal rules to ensure that high-volume products always will be made with less impact materials, either for environmental, human og animal protection.

In Portugal, where our jersey and sweats are made, the suppliers we work with have implemented measures like solar panels, energy efficiency, waste water treatment reusing production scrap, amongst other.

We will continue mapping our emission and look at measures that can be implemented with our high volume suppliers.

Our headquarter and stores are run by renewable energy.

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

Our suppliers and business partners can expect from Holzweiler that our business and purchasing practices strengthen, and do not undermine, their opportunity to deliver on our policies and requirements related to people, animals, society and the environment. Holzweiler always seeks collaboration to achieve responsible business conduct. We strive towards lasting supplier relationships with suppliers who show a particular willingness and ability to create positive developments in the supply chain.

We have developed internal Guidelines for responsible purchasing practises and we consider responsible purchasing practices to be one of our most important tools for responsible business conduct.

This includes:

- Continuously working to improve our policies and practice to enable our suppliers to be able to meet their commitments as outlined in our policies and requirements.
- Treating suppliers with respect and consideration in the relation and communications.
- Communicating clearly, promptly and accurately on all issues concerning orders.
- Never negotiating a price that will negatively impact on the wages and working conditions of workers.
- Staying with our current supplier if a higher price will ensure decent wages and working conditions for workers, rather than moving our business elsewhere purely based on price.
- Placing orders with leadtimes that do not trigger excessive working hours or sub-contracting. Always having a dialogue with the suppliers regarding lead times.
- Refraining from changing orders repeatedly and with short notice. If changes are unavoidable, amending target delivery times accordingly.
- Providing material and practical support to our suppliers in striving to meet their obligations in our policy.
- Taking wages and working conditions into consideration when reviewing business relationship with suppliers, rather than ending a business relationship purely on the grounds of price or quality.

We are participating (2nd year) in an international working group on Responsible Purchasing Practices. We have established an internal working group including representatives from CSR, purchasing, production and commercial team. The framework, which is guiding us in this 2-year project, consists of 5 principles on which we delve:

1. Integration and reporting
2. Equal partnership
3. Collaborative Production planning
4. Fair payment terms
5. Sustainable costing

In 2023 we developed a questionnaire about our purchasing practices which we invited 3 key suppliers to fill in. The findings were shared internally with the design and production team. Production planning and communication were key issues we looked into how to improve based on the feedback from the suppliers.

Here are the areas we have focused on as a start:

- Improved joint business calendar
- Implemented Range plan - works well and used in dialogue with suppliers
- Supplier survey to 3 suppliers – feedback shared
- Vendor management – strategic suppliers to be prioritised
- Leaner collections - Size refence adjusted
- Nominating suppliers – joint descision by design, csr, production and buying department.
- Supplier evaluation regularly including input from design, production and buying, logistics.

The next steps we have on the agenda as possible wasy going forward:

- Sourcing strategy
- Tech packs handover with suppliers on teams meetings
- Get Delouge up an running as main platform for tech packs communication with suppliers
- Forecasting on Items (LLP)
- Capacity booking - planning of capacity is more convenient for us and the suppliers
- Nominating and booking materials
- Open costing or/and BOM in ERP
- Supplier manual & Technical manual
- Develop block library suited global market
- 3D develop further as tool for sampling and block & pattern works
- Add criteria for new suppliers - f ex Gerber/CLO
- Gather info from suppliers sampling process and sampling room and team at the factories
- Garment technologist in China to evaluate samples
- Avoid and reduce late changes from sale
- Build internal awareness and training with buying, production, design, technical department.

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

Holzweiler favours certified materials as far as we can include that in our designs. Certified materials contribute to reducing the environmental, social and ethical impact from raw material production, fibre and fabric processing and garment production.

The preferred material list is guiding us and in addition we have implemented eco design processes.

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### **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**

We are collecting information from audits and information shared from the suppliers. We will include more detailed mapping of worker representation and collective bargaining as part of the Living wage project we participate in.

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

Our staff's competence is a combination of internal knowledge & experience, networks, courses, advice from stakeholders and participation in forums and conferences, focusing on sustainability and responsibility within the textile industry. Our staff participate in training and courses relevant for their responsibility and position and we share professional information internally on topics we get access to or gather from external resources (read more under 1B3).

Participating in internal and external projects also contributes to capacity building and increased knowledge & awareness. For example (but not limited to) the two projects we participate in on responsible purchasing practices and living wages.

CSR team conduct training for our stores on sustainability related topics. The digital product passport is a great tool for them to get product specific data to share with customers. We build awareness on regulations and relevant industry topics.

We are in process of mapping with the suppliers and will continue this work in 2024 to get a more in depth understanding of which areas our suppliers could need capacity building.

As part of the supplier onboarding and dialogue with new and existing suppliers we communicate on matters which suppliers need to relate to.

In the reporting year we have implemented a new PLM system which also the suppliers is a part of in a larger scale than previously. This relates to product development, production and supply chain data and Digital Product passport data.

We also provide information and guidance on The transparency act and obligations related to this both for the supplier and us.

Revised chemical restrictions including alternative substances are also regularly shared with the suppliers.

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

Requirements for anti corruption and bribery is communicated in our guidelines for suppliers and Code of Conduct. We have an internal policy which is communicated to employees as part of the onboarding.

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

We have continued our focus on technology and innovation and in 2023.

With the aim to facilitate circularity, transparency and traceability, engage with our customers and enable them to make conscious purchasing decisions, we launched Digital Product Passport(DPP) on a few products in march 2023. The products digital ID, which is a unique QR code for each singel garment, keeps us connected to the product after point for sale. By end of 2023 all down jackets and most jersey were delivered with DPP.

When scanning the QR code, information on supplier, factory/sewing-, dyeing-, printing- and material facility, as well as certifications, dyeing and printing process and chemical compliance, will be shared. Care & repair information and link to Re:vive and repairable is included for circularity purpose.

Supported by Innovasjon Norge's program, Kreativ teknologi ut i Verden (KUV), we will further develop our work on DPP, focusing on easy accessible global resale and repair serviced through the product's unique ID, as well as working on catching the first point of sale (POS) to "start" the product's journey, and find a more compliant way to verify data that is shown in DPP.

In near future we hope to collect valuable information on the usages of our products through events like resale, repair and other possibilities that lies in DPP.

We have also further grown the internal competence in digitizing the product development phase with the use of CLO 3D, a virtual design tool, which the design team is trained in.

From November 22 to June 2023 received funding for five employees from Viken through their program "Bedrifts Intern Oppl ring", to get extensive coursing in CLO 3d, compatibility with Gerber and pattern communication. This was in collaboration with Manufacture Oslo.

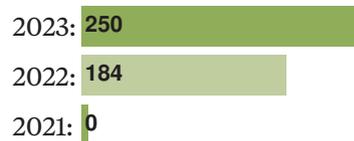
We experience that developing products in CLO and sending digital presentations of the products to the manufacturer leads to more precise information from our side, resulting in more accurate samples. This will in turn reduce the need for the number of physical prototypes and the number of shipments to and from the manufacturer. Based on the knowledge we possess today, we estimate that the reduction is up to 25%, depending on the complexity of the product. We also experience that the development phase takes less time when designing using this tool.

250 products were developed in CLO 3D in 2023.

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## Indicator

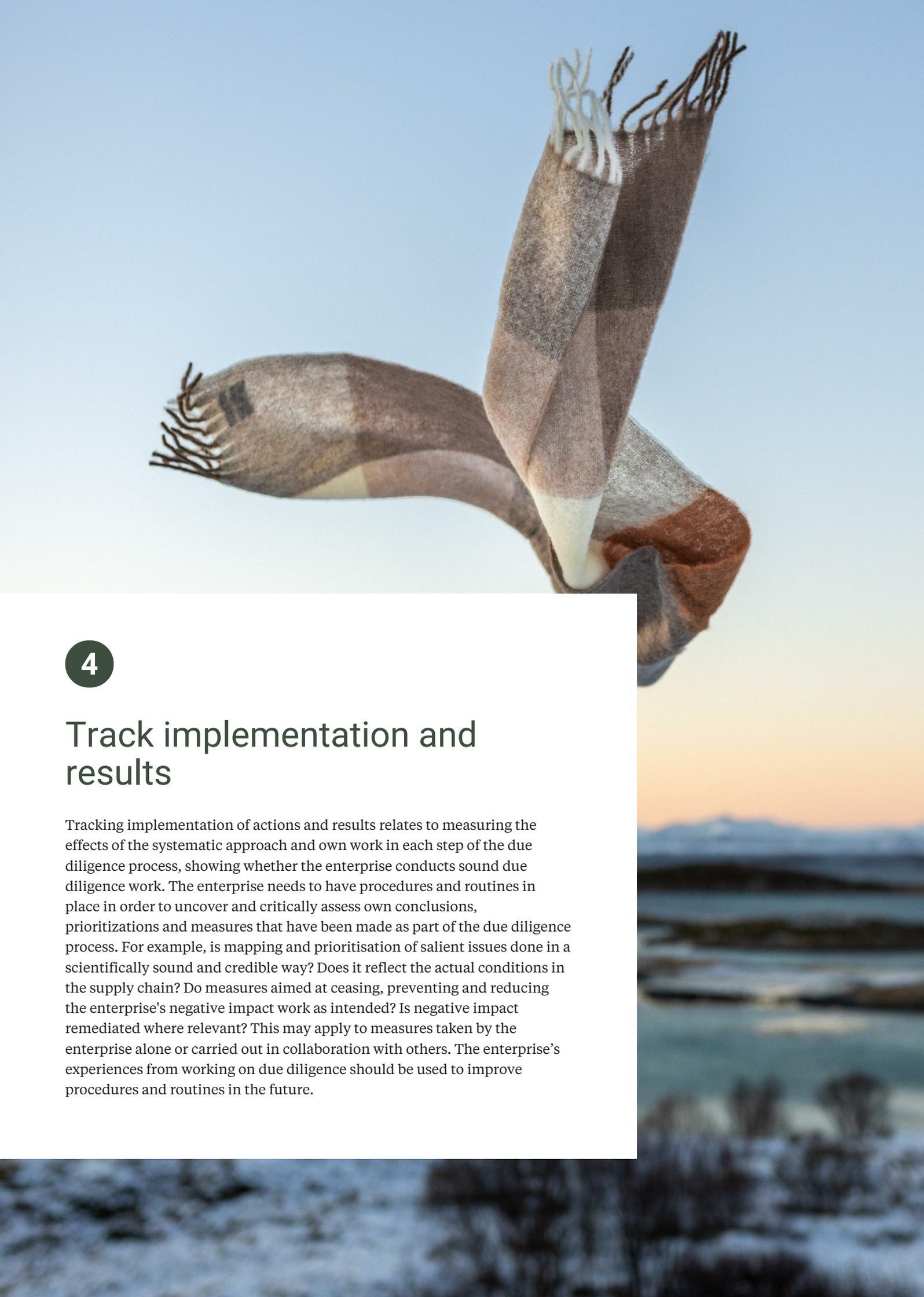
### Number of products developed in CLO 3D



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### Number of products with Digital Product Passports (based on production quantity)





## 4

# Track implementation and results

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

## 4.A. Track and assess

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

The sustainability team has the main responsibility for this being done.

We are working on defining KPI's which we will measure and track up to 2030 commitments of the four pillars in the sustainability strategy.

The measures we have set in our sustainability strategy and the risk areas we have assessed in the due diligence process are first priority to measure and track.

The suppliers are followed up by relevant surveys and gathering other relevant information (such as audits, certificates, sub suppliers). Based on the information provided we have dialogue with the suppliers. When visiting suppliers we encourage Holzweiler staff to use the visual observation form to assess the suppliers facilities. We aim to visit suppliers on a regular basis, and with the production & quality team in Shanghai we have more resources and capacity on site.

The data is collected in the various departments. For example, Supply chain keeps an overview of transport methods, design reports on the number of products designed in 3D, e-commerce reports on green shipping and claims and the sustainability team reports, among other things, on the number of suppliers who have been through the entire screening process, certified factories and the number of products that can be traced to different tiers in the supply chain.

Climate accounting was implemented in 2021 to track progress on the measures we take to reduce CO2 emissions. Annually reporting will be measured against baseline data from 2021.

Climate accounting also give us accurate numbers on the usage of fiber types and certification, based on weight of materials bought for our productions, knowledge on type of energy used in our production facilities and emissions from different type of transportation of our goods. A more detailed roadmap up to 2025 will be developed in 2024 and with this we will get a better overview of the data and KPI's we will measure.

Going forward we will also map and track data on wages and worker representation besides gather feedback on our own purchasing practices.

We track indicators for use of preferred materials and relevant KPI's will be added in the mapping and tracking of data as we move forward.

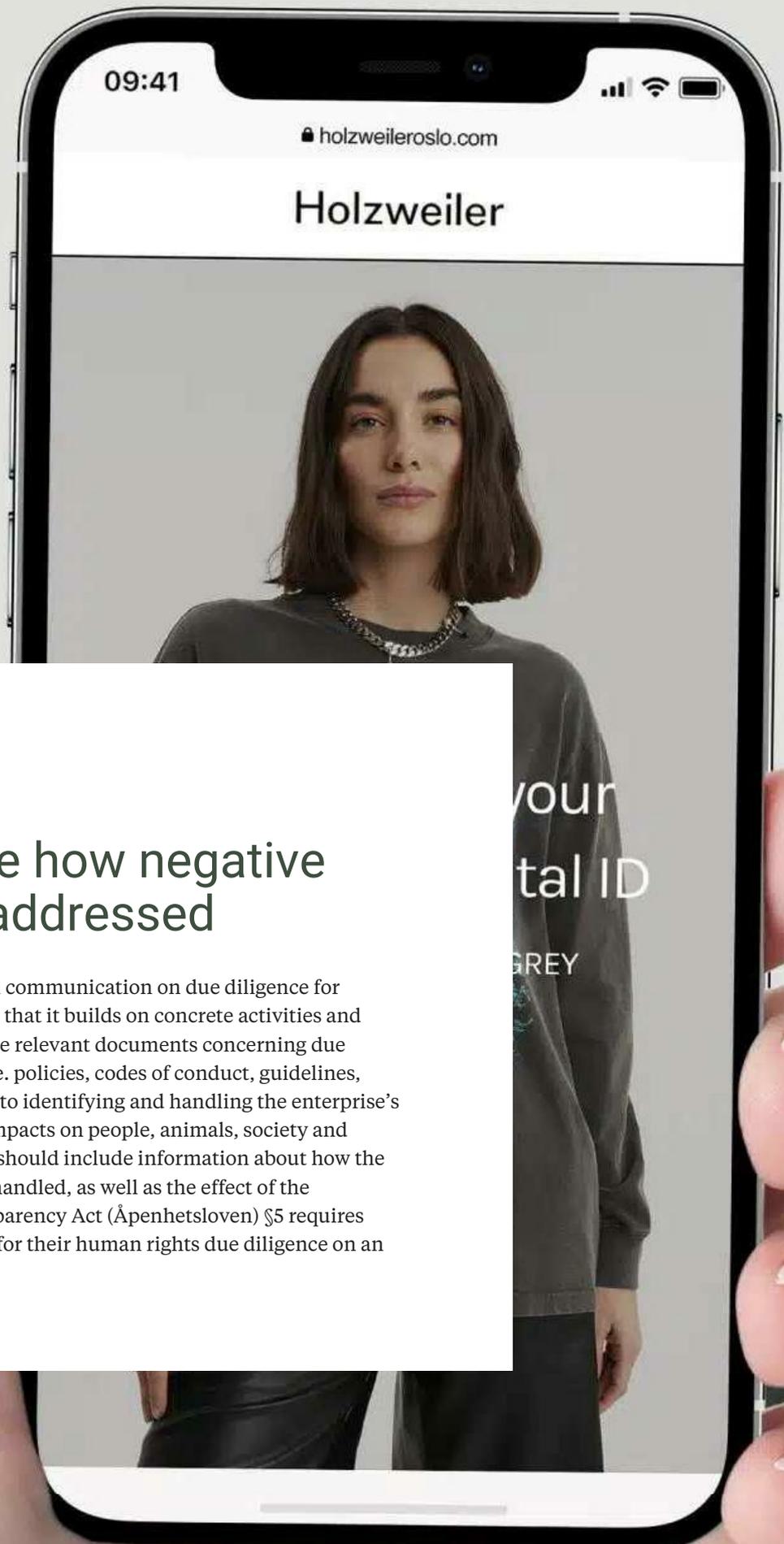
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### **4.A.2 Describe how the enterprise ensures that measures taken to identify, prevent and reduce negative impact actually work**

A major focus for us in the the two recent years has been to continue working on increasing the products' lifespan and number of wears. This includes choosing high quality materials, trims & accessories, best practice for good fits, solutions for resale and rental, as well as training staff and customers awareness on how to take care of their clothes. It is difficult to measure the effect of this today, but we believe that these are good measures that clearly have an effect and reduces overall textile waste. The choice of materials plays an important role, and we have increased the use of certified materials. These choices lead to a reduced negative impact on animals, people and the environment. Here, progress is measured from collection to collection, and from year to year.

Digitization of the follow-up process by suppliers leads to more efficient information gathering, and that information will be more easily accessible to all departments. The same applies to digital tracking of products, which gives us a much better overview of the supply chain involved in our productions. In future, we will track and measure this.

Climate accounting is a method that will show concretely whether the measures related to CO2 have an effect or not.



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**

Where we see that there is a negative impact, we request information about how they are working on remediation and how the employees are involved, for example through worker representation or HR. In most cases, suppliers are already working on the measures proposed in the audit report, and we follow progress on the actions taken. Our goal is to take a more active role in the dialogue with stakeholders and in initiating improvement measures.

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

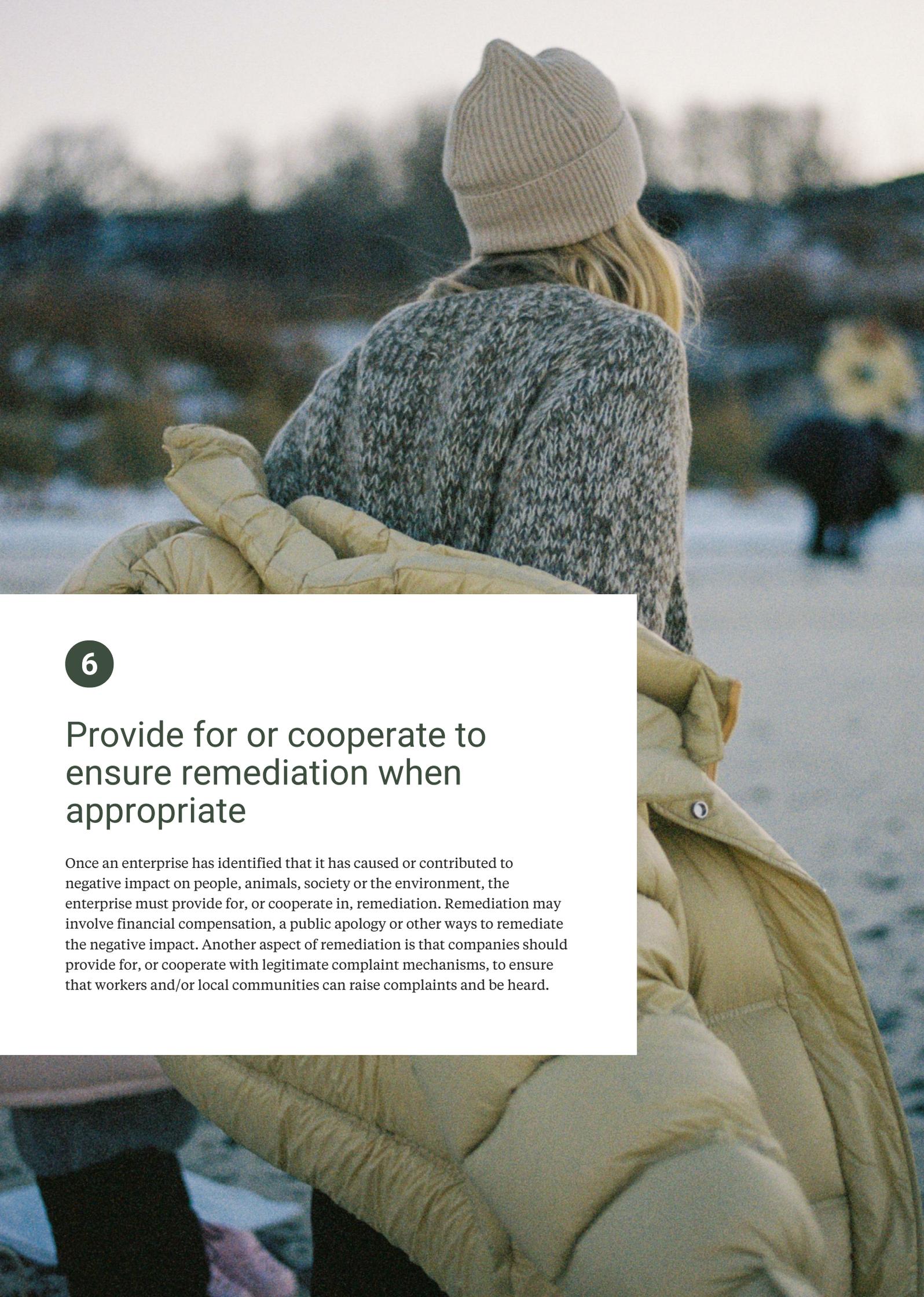
This is communicated in the annual ethical trade report. We aim to share increasingly more information on our website and via the digital product pass, which was launched in 2023 on selected products.

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

All external inquiries from stakeholders related to information on Holzweiler business ethics are received with the consumer service by contact form <https://helpcenter.holzweilerslo.com/kb-tickets/new> Customers can also reach us via our so-me channels.

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## 6

### Provide for or cooperate to ensure remediation when appropriate

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

## 6.A Remediation

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

If our operations directly or indirectly cause harm to people or the environment, we commit to remediation support, provide for or cooperate in remediation when appropriate. This is set in our Company Code of Conduct, the Policy for Responsible Conduct and in the Responsible Sourcing Policy:

If we find a breach of our requirements during an inspection, audit or other source, we clearly communicate the issue with the factory management. From there, we develop a corrective action plan where all identified issues need to be corrected within a given time. The factory management input their perspective on how the issue will be handled and resolved within a realistic timeline. The focus is on long-term improvement and development to meet our sustainability standards.

Some breaches may be more severe and require a proactive and systemic approach. A key part of our due diligence process is remediation support. We commit to follow up any situation closely and provide assistance where possible to resolve the case. If remediation support is necessary, we consider this on a case-by-case basis. We will establish cooperation with expert-organizations that contribute to remediation support if a serious breach is identified at one of the factories producing for us.

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

No remedy was initiated in 2023.

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## 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**

We have communicated our requirements to the suppliers in the Supplier Code of Conduct and set this a minimum criteria for new suppliers:

Grievance mechanisms that allow employees to escalate grievances must be established. Information about grievance channels and procedures must be communicated to all employees.

We will follow up this topic and have more communication based on the more in depth supplier mapping in 2024.

Grievance mechanism in own organisation is established and is described in the Holzweiler employee manual. Everyone is encouraged to report objectionable conditions. The routine shall help uncover any objectionable conditions at the Holzweiler group. An information leaflet with the grievance routine is informed all employees during onboarding.

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