



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

Account reporting year 2025 Redegjørelse for rapporteringsåret 2025

for Aclima AS



*Ethical Trade Norway has assessed the report of Aclima 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

Private enterprises, the public sector and organizations have a significant impact on people, society, the environment, the climate and animals. Enterprises contribute to development, innovation and improved living conditions, but their activities also entail risk and real harm. Enterprises therefore play a key role in efforts to achieve the UN Sustainable Development Goals and the Paris Agreement's 1.5-degree target. This work is most effective when done in collaboration.

Ethical Trade Norway is a membership organization and a multi-stakeholder initiative bringing together businesses, trade unions, employer organizations, civil society and the public sector to jointly address the complex challenges in global supply chains that no single company can solve alone.

Transparency, accountability and continuous improvement are fundamental to this work. This membership report can be used as a statement under the Norwegian Transparency Act, but it also covers broader topics such as climate, environment and anti-corruption. Our framework is based on the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance – internationally recognized standards that form the basis for Ethical Trade Norway's 13 principles for sustainable business practices. These principles cover human rights, decent work, environment and climate, animal welfare and anti-corruption.

All members of Ethical Trade Norway are required to carry out risk-based due diligence and to report annually on progress in their own work. Companies at our quality level Basic meet the requirements of the Transparency Act for due diligence reporting. Members can also strive to achieve the levels *Implementing* and, from 2026, *Leading*.

Due diligence is not about being "risk-free", but about being transparent and systematic: identifying risks, preventing and mitigating negative impacts, communicating openly about how these are addressed, and – where necessary – contributing to remediation.

I would like to thank all members for their efforts, openness and willingness to contribute to responsible supply chains. Together, we demonstrate how responsible trade can be in the best interests of people, animals, society and the environment.

Heidi Furustøl

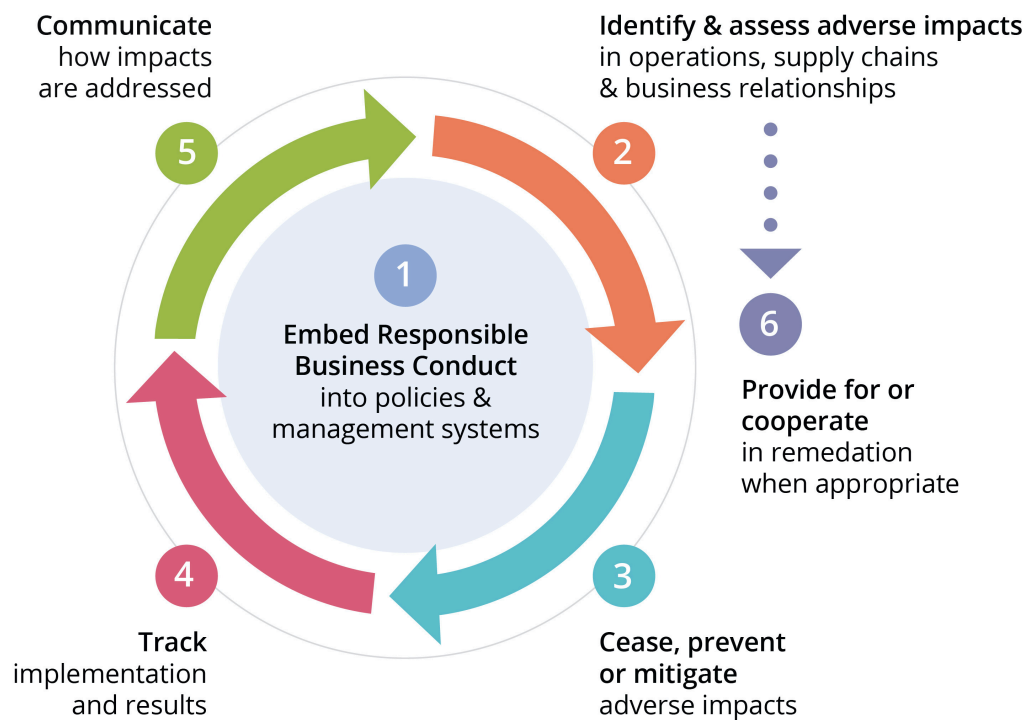
Executive Director

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

Getting acquainted with Aclima through the recruitment process last spring, I was intrigued by how a very specialized strategy had delivered a strong brand, stable profitable growth and a substantial size. -We do mid layers and baselayers, for use cases where comfort, performance and durability matter the most. Applications where the ultimate high-tech fibre is developed by Mother Nature herself, Merino Wool. Despite market fluctuations and changing public interest, we keep prioritizing sustainability and innovation.

Our starting point is always 100% wool, based on its natural ability to breathe, wick moisture, regulate temperature and resist odor. If at all, synthetic fibers are added, it is strictly for functionality, never for cost. Decades of knowledge sit in every seam, in every layer and every construction choice.

We are deeply committed to ethical sourcing and production, ensuring transparency and responsibility through our supply chain – aligning with the growing demand for more sustainable alternatives. We work closely with our merino wool suppliers, such as those involved in the ZQ and ZQRX programs, which not only guarantee responsible animal welfare practices, but also promote regenerative farming. By partnering with companies who prioritize animal wellbeing and environmental stewardship, we can trace the journey of our merino wool from farm to final product. All yarn spinning, knitting and dyeing of our fabrics is done in collaboration with dedicated specialists and long-lasting partners within the EU. This commitment to traceability not only ensures the quality and integrity of our garments but also reinforces our dedication to sustainability and ethical standards throughout our production process.

Since 26 years Aclima has owned our own manufacturing facility in Estonia, while a continuous growth of our business the last few years has led to an increasing demand for cooperation with external manufacturers. In our minds, it's only natural that growth comes with responsibility for the people, animals and environmental conditions throughout our supply chain. We also show respect to our customers – proving to them that buying from Aclima is a conscious choice.

Aclima is part of the Swedish Open Air Group, and the entire group has committed to the SBTi. During 2024 Aclima has changed our heating source in Estonia from oil burners to electric heat converters, and we buy only certified green electricity. OAG has initiated several work groups to work thoroughly through our sustainability challenges. This ongoing work also enhances knowledge and competence within our organization.

" We are deeply committed to ethical sourcing and production, ensuring transparency and responsibility through our supply chain – aligning with the growing demand for more sustainable alternatives. "

Christian Lodgaard
CEO

Board Signature

This report is electronically signed. See last page for verification.

Camilo Sjödin
CEO

Kim Viitanen
CFO



Enterprise information and enterprise context

Key enterprise information

Enterprise name

Aclima AS

Head office address

Øvre Sund 1, 3018 Drammen

Main brands, products and services offered by the enterprise

Aclima designs, develops and manufactures technical and functional wool clothing, socks and accessories that are marketed and sold under Aclima's own brand, directly to customers, in the business to business segment, and to contractual customers in the public sector such as military, police and coast guard.

Description of enterprise structure

Founded in 1939, Aclima has evolved greatly over the years to become the company it is today. Previously a family-owned enterprise, Aclima was acquired by the Sweden-based corporate group Open Air Group (OAG) in December 2021, something that has strengthened the opportunities to keep evolving in an increasingly complex and challenging market.

The main office of Aclima which includes top management, design and development, purchasing, quality and sustainability management, marketing, sales, e-com and IT, is situated in Drammen, Norway; while our Norwegian warehouse and accounting team is located in Krøderen. Being an ISO9001 and ISO14001 certified company, Aclima has established a management system with procedures and routines that are under constant revision and improvement.

The overall responsibility for ESG and due diligence for responsible business conduct lies with the CEO, while the fundamental work with these topics is led by our quality and ESG specialist, strongly supported by other roles in the company. The work is anchored in the management and board via CEO.

Aclima AS has a daughter company in Valga, Estonia: Aclima OÜ. Established as our own cut-and-sew factory in 1998, the Estonian branch has grown to also include activities such as purchase planning of yarn, fabric and trims, production planning for both in-house and subcontracting garment manufacturing, project coordination and administration. The management in Drammen and the functions of development, production and ESG all work closely together with the team in Valga. Communication between our sites happens on a daily basis and physical visits occur frequently.

The core of Aclima's business is design & development, manufacturing, marketing and sales of functional merino wool clothing. The segments we operate in are sport & outdoor for the private market, work wear for the professional market, and contractual deliveries for public procurement customers. The latter has increased significantly over the last years and is now making up the major share of our total sales. Most of the sport and outdoor sales go through retailers or B2B customers. A smaller part is sold via Aclima's own web shop and our outlet store at the Krøderen warehouse.

Revenue in reporting year (NOK)

400 000 000

Number of employees

37

Is the enterprise covered by the Transparency Act?

Yes

Major changes to the enterprise since last and current reporting period

2025 has been an eventful year, bringing both major and minor changes for Aclima. Some key developments include:

A new CEO joined the company in September 2025.

New Positions Established:

To further strengthen operational capacity and execution, a new Chief Operating Officer (COO) joined in September 2025

Strengthening of the Product Development team with one additional employee (May 2025)

Strengthening of the product team team with one additional textile engineer (September 2025)

Creation of a new digital merchandiser position within the marketing department (August 2025)

Contact person for the report (name and title)

Martine Stormoen, Quality- and ESG specialist

Email for contact person for the report

martine@aclima.no

Supply chain information

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

From the start, Aclima has set a clear strategy to establish ownership of our processes. Naturally, this brings a strong need and wish to build longlasting relationships and close cooperation with suppliers, part of that being to keep most of them as close as possible to home.

All design, product development and pattern making is done in-house at Aclima AS and OÜ. The raw material sourcing and fabric development is done by Aclima AS in very close collaboration with yarn spinners, knitters, weavers, and dyeing/finishing mills, who are all located within the EU.

Wool fiber - especially the certified and traceable ZQ and ZQRX merino - is secured via stable contracts and booked a long time in advance, to be delivered for spinning and knitting according to current production needs. The sheep farms are located in New Zealand, Australia, South Africa and Argentina, while the initial treatment of wool tops (before fibers can be spun to yarn) is made in China.

Aclima OÜ is a major support in the purchasing and planning once the materials are called-off from contracts. They are also responsible for purchasing accessories and trims, such as labels and packaging, from selected European suppliers.

Garment manufacturing is taking place at Aclima OÜ and approved sub-contractors, who are all located within the EU as well. For the smaller product groups such as socks, Aclima is currently sourcing via agents who buy directly from European factories that are known to Aclima.

In addition to conventional production, Aclima has established a method for recycling our own surplus material, partnering with a couple of Italian experts who have specialised in the recycling of fine wool. Fabrics are colour sorted and collected in our own factory in Estonia, sent to Italy where it's mechanically processed, mixed with GRS-certified recycled nylon (to ensure durability), spun to new yarn and finally knitted and woven into new fabrics. The product concept that we have proudly developed, using these textile-to-textile (T2T) recycled fabrics, is called reborn.

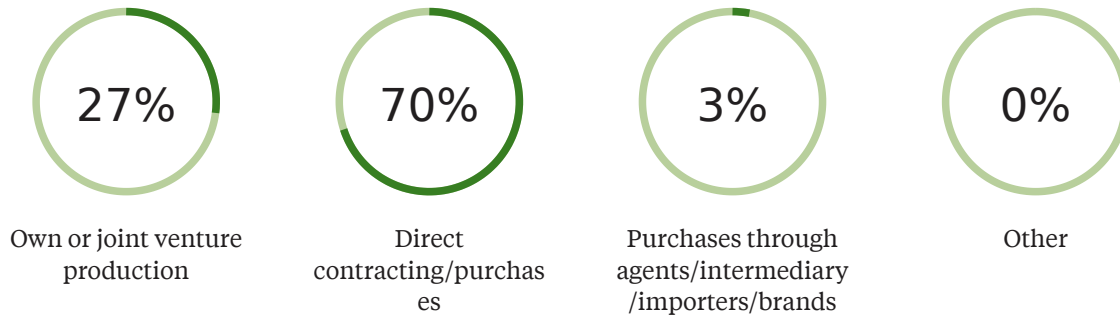
Number of suppliers with which the enterprise has had commercial relations in the reporting year

19

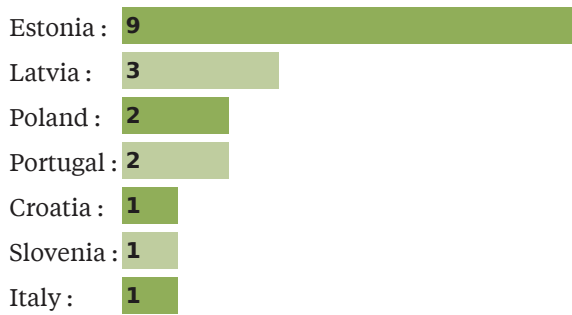
Comments

We also worked with 15 suppliers of ready-made goods through our own production Aclima OÜ.

Type of purchasing/ suppliers relationships



List of first tier suppliers (producers) by country



State the number of workers at first tier producers

Number of workers

1200

Comments to number of workers

The factories vary from small to medium sized. Some of the sewing factories have as few as 15 workers and some have as many as 200. At the time of writing this report, we had not received updated numbers from all of our T1 suppliers.

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

Merino wool	Australia New Zealand South Africa
Polyamide, polyester, modacrylic	Global
FR-viscose	Austria

Merino wool remains Aclima's most significant raw material input and represents the area in our value chain. The primary risks are linked to the early stages of the supply chain, including sheep farming, animal welfare, land management, environmental impact, and initial fiber processing. These stages are geographically distant from our headquarters and involve multiple actors, which increases complexity and limits direct oversight. To mitigate these risks, Aclima prioritises the use of ZQ- and ZQRX-certified merino wool. These certification schemes provide independent verification of animal welfare, environmental practices, and social conditions at farm level, significantly reducing risk exposure in the most critical stages of the supply chain. However, we acknowledge that certification reduces — but does not eliminate — inherent risks in global fiber sourcing.

Aclima continues to use a share of non-certified merino wool, primarily in connection with long-term public procurement contracts signed several years ago. At the time of tender submission, certified fiber alternatives were not commercially viable within the pricing structures of those contracts. While cost considerations historically influenced material choices in this segment, market developments and regulatory changes — including updates to the Norwegian Public Procurement Act — are now strengthening sustainability requirements in public tenders. This supports our ambition to increase the share of certified inputs over time. Regardless of certification status, Aclima enforces a strict zero-tolerance policy towards mulesing. This requirement is clearly stated in our public policies and Supplier Code of Conduct and is communicated to all fiber and yarn suppliers.

Regarding synthetic fibers, we recognise the environmental risks associated with fossil-based raw materials.

Aclima's product philosophy is based on maximising wool content. The share of synthetic fibers in our collections is therefore limited. However, certain functional requirements — such as durability or flame resistance in professional garments — necessitate the use of other fibers. Polyamide is used primarily to enhance durability, while modacrylic and FR-viscose are used in selected professional products requiring inherent flame-retardant properties. We are continuously exploring alternative fiber options, where these can meet technical and sustainability requirements.

Is the enterprise a supplier to the public sector?

Yes

Goals and progress

Process goals and progress for the reporting year

1

Focus on sustainable products

- Goal:**
- 1 - Work on developing Life Cycle Assessments (LCA) for our products to clarify our environmental footprint.
 - 2 - Test out repair systems for consumers.

Status:

1 - Our EPD project has not yet been fully completed, but it has provided valuable insight into the importance of our own data quality and the allocation of where our largest emissions occur. The project will continue into 2026, and we are committed to using this data actively in our decision-making processes.

2 - We have initiated testing of a repair service aimed at consumers. So far, the response has been limited, but we intend to allow the initiative time to establish itself before evaluating its long-term potential.

2

Focus on sustainable value chain

- Goal:**
- 1 - Review and update all document templates related to supplier assessment and evaluation.
 - 2 - Continue to map our supply chain in greater detail.
 - 3 - Ensure communication in all relevant languages for employees at our suppliers sites.
 - 4 - Confirm that our subcontractors are aware of living wages and are actively working towards achieving them.

1 - Document templates related to supplier assessment and evaluation have been reviewed and partially updated. Further alignment with our new quality management system will continue into 2026 to ensure consistency and improved documentation practices.

2 - Supply chain mapping has progressed during the reporting period, with improved visibility at yarn and fabric level. Further work is ongoing to enhance traceability and documentation in upstream stages. The implementatin of a new production system in Valga will highly support our continues work with our supply chain.

Status:

3 - We continue to emphasise the importance of clear communication in relevant local languages at supplier sites. This expectation is communicated through our Supplier Code of Conduct and ongoing dialogue with key suppliers.

4 - Living wage expectations are addressed through our Supplier Code of Conduct and supplier dialogue. We continue to raise awareness and encourage progress towards living wage principles within our supply chain.

3

- Goal:** **Ensure openness and transparency in our communication**

1 - Continue to expand the information on our website in all relevant languages regarding our sustainability efforts.

Status :

1 - In 2025, we changed our website platform. This has been a major project requiring significant internal resources. However, we believe that in the long term we are better positioned to ensure clear, consistent communication and improved information flow.

4

Continue to Embed responsible business conduct into policies and management systems

Goal :

1 - Develop an annual cycle for sustainability efforts.
2 - Integrate sustainability efforts more systematically into the organization and management team, to ensure effective communication flow and that all relevant stakeholders are kept informed.

1 - An annual cycle for sustainability and compliance work has been further structured and aligned with our ISO 9001 and ISO 14001 management systems. Reporting deadlines, risk assessments and management reviews are now more clearly integrated into the company's yearly planning cycle.

Status :

2 - Sustainability has been more systematically integrated into management processes during the reporting period. With new leadership and the development of a strategy towards 2028, sustainability priorities are increasingly embedded in decision-making processes and cross-functional dialogue, strengthening internal anchoring and communication flow.

Process goals for coming year

1

Focus on sustainable products

- 1 - Work on developing EPDs for our products to clarify our environmental footprint.
- 2 - Use this data to lower our footprint where we can.

2

Focus on sustainable value chain

- 1 - Review and update all document templates related to supplier assessment and evaluation.
- 2 - Continue to mapp our supply chain in greater detail.
- 3 - Ensure communication in all relevant languages for employees at our suppliers sites.
- 4 - Confirm that our subcontractors are aware of living wages and are actively working towards achieving them.



A woman with a large backpack is hiking in a field at sunset. She is wearing a pink shirt and dark pants. The sun is low in the sky, creating a warm, golden glow. The background shows rolling hills and mountains.

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://cdn.sanity.io/files/uze90wod/oag-brands-production/bfc1146441607399f406eac96d0387bbf209b238.pdf>

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

We strive towards responsible business conduct by practising the risk-based approach of due diligence in our own business and throughout the supply chain, while expecting our suppliers and partners to follow the same approach. As stated in our Policy for Responsible Business Conduct, our own commitment is clearly incorporated in our company vision:

Aclima shall be the most preferred brand of functional wool clothing with high quality. This is something we shall achieve while paying respect to people, animals and nature.

The most important commitments we make according to our policy, are to constantly review and adapt our own sourcing, purchasing and partnership practises, and follow up directly with our suppliers to help them manage and meet the expectations we have on them. Namely, the guidelines we have given them for requirements and conditions concerning workers' and human rights, environmental aspects and animal welfare.

As a brand under OAG and a contributor to our joint sustainability strategy in the group, Aclima commits to work actively with especially three of the UN Sustainable Development Goals (SDGs), that have been selected based on where our business(es) can contribute the most to positive change:

- 8. Decent work and economic growth
- 12. Responsible consumption and production
- 13. Climate action

See more public statements regarding sustainability on our website: www.aclima.no/sustainability

This site is only in Norwegian at the moment, as we are still working on transferring the same public statements to the English version of our website.

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

For many years, Aclima has been working in close collaboration with fiber suppliers, yarn spinners, knitters and garment manufacturers, in order to keep a close connection to almost the whole supply chain. Long-term partnerships have been a cornerstone in our business and is therefore something that was truly anchored in management at an early stage when the company only had a few employees.

However, as Aclima has experienced a vast growth over the last few years, we have not only extended our own work force but also connected to new suppliers in order to keep up with the demand - and it's worth mentioning the demand itself, leading to a gradually larger and larger production volume and impact on the world around us. The cornerstones and principles from early days have always remained at the core of the company, but we saw an urgent need to focus more actively on driving responsible business conduct.

Becoming a part of a corporate group (OAG) and a member of Ethical Trade Norway (ETN) early in 2022, has really boosted our knowledge and provided us with new tools to address an increasingly wide range of challenges - and opportunities.

The policy for Aclima (AS + OÜ) is strongly based on the principles of ETN and the joint sustainability strategy of OAG, while keeping Aclima's own core values intact. The policy has been communicated to all employees, and is a part of our onboarding program.

1.B Organisation and internal communication

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

In 2025, following the appointment of a new CEO, Aclima conducted a comprehensive strategic review process to strengthen long-term direction, governance and responsible business practices. As part of this process, more than 50 interviews were carried out with internal and external stakeholders, including employees, factory representatives, customers, suppliers and other partners. The insights gained have informed our strategy and action plan towards 2028, with clearer priorities, defined responsibilities and strengthened integration of sustainability and responsible business conduct across the organisation.

Due diligence at Aclima is organised within the framework of our quality management system and is aligned with the Norwegian Transparency Act and the OECD Guidelines for Responsible Business Conduct. The process is embedded into internal policies, procedures and management routines to ensure systematic follow-up and continuous improvement.

The ESG Specialist holds primary responsibility for managing the due diligence process and reports directly to the CEO, who ensures executive oversight and follow-up. Identified risks and due diligence assessments are reviewed with the full management team, including representatives from sales, marketing, production, product development and operations. This ensures cross-functional ownership and integration of mitigation measures into daily operations.

In addition to the annual risk assessment process, Aclima conducts a structured supplier evaluation routine. This evaluation is carried out jointly by the ESG Specialist and the Chief Product Officer (CPO). The process includes an overall assessment of supplier performance related to quality, delivery reliability, communication, sustainability compliance and alignment with our Supplier Code of Conduct. The purpose is to ensure continuous dialogue, identify areas for improvement, and prioritise follow-up actions where necessary. This routine strengthens accountability and systematic supplier management across our value chain.

Our due diligence process includes:

- Annual risk assessments covering the entire value chain
- Regular supplier evaluations and dialogue
- Use of tools and guidance provided by Ethical Trade Norway
- Integration into our ISO-based quality management system

Structured tools such as supplier evaluation templates, CSR checklists and visual observation lists are used during supplier visits and prior to onboarding new suppliers.

Through this framework, we work systematically to identify, prevent and mitigate potential adverse impacts on people, animals, society and the environment. Due diligence is integrated into daily operations and management processes to ensure consistent risk monitoring, transparency and continuous improvement.

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?

Aclima works systematically to ensure that due diligence is embedded in roles, responsibilities and daily operations across the organisation.

Since the previous reporting period, we have strengthened the formal integration of responsible business conduct into our organisational structure. Following a comprehensive strategic review process in 2025, clearer priorities and responsibilities have been defined as part of our strategy towards 2028.

Job Descriptions and Defined Responsibilities

Key roles—including the ESG Specialist and central operational and product-related functions—have due diligence responsibilities integrated into their job descriptions. During 2025, we have increased our focus on clarifying roles and mandates across the organisation. Updated job descriptions are being implemented within our new quality management system, ensuring transparency and accessibility for all employees.

Due diligence responsibilities are not limited to one function. Employees involved in sourcing, production follow-up, product development, and supplier management are expected to integrate risk awareness and responsible business conduct principles into their operational decisions.

Management Anchoring and Cross-Functional Ownership

Identified risks and due diligence assessments are reviewed with the full management team, including representatives from sales, marketing, production, product development and operations. This ensures that sustainability considerations are incorporated into strategic and operational decision-making across departments.

Integration into Management Systems and Routines

Due diligence is embedded within our ISO-based quality management system and forms part of annual risk assessments, supplier evaluations and management reviews. Regular management meetings provide a structured arena for discussing sustainability priorities and emerging risks.

Organisational Culture and Continuous Improvement

Aclima maintains an open communication culture where employees can raise ESG-related topics or concerns. Through social initiatives such as Aclima PULS and structured dialogue processes, sustainability awareness is strengthened across the organisation.

While we do not currently operate separate financial incentive schemes tied specifically to due diligence performance, responsible business conduct is increasingly integrated into leadership expectations and overall performance dialogue.

Overall, the reporting year marks a shift from building foundational structures to strengthening strategic integration, clearer role ownership and more systematic follow-up of due diligence across the organisation.

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

Aclima works systematically to ensure that relevant employees have the necessary competence to conduct and follow up on due diligence processes.

Structured Internal Anchoring

ESG and responsible business conduct remain permanent topics in biannual company-wide meetings, where strategic priorities, regulatory developments and ongoing initiatives are presented and discussed. Following the strategic review process in 2025, sustainability expectations have been further clarified and embedded into the company's long-term direction towards 2028, strengthening organisational understanding and ownership.

Due diligence findings and risk assessments are reviewed with the full management team, ensuring that leaders across sales, marketing, production, product development and operations develop a shared understanding of risk exposure and mitigation priorities.

Use of External Expertise and Industry Platforms

Through our membership in Ethical Trade Norway, employees have access to updated guidance materials, webinars and tools aligned with OECD Guidelines and the Norwegian Transparency Act. Relevant employees are encouraged to participate in training sessions and seminars.

Aclima is also an active member of industry networks such as the Scandinavian Outdoor Group (SOG) and TEKO (the Norwegian textile sector association under the Federation of Norwegian Industries). These forums provide updated knowledge on regulatory developments, sustainability standards and industry best practices.

Operational Experience and Practical Application

Employees involved in sourcing, production follow-up and supplier management gain hands-on experience through supplier visits and evaluations. Structured tools such as CSR checklists and visual observation lists are continuously refined to support systematic assessment during on-site follow-up.

System Integration and Continuous Improvement

The implementation of a new quality management system in 2025 further strengthens documentation, accessibility of procedures and internal knowledge sharing related to due diligence work.

Overall, competence development at Aclima combines formal training, industry engagement, leadership involvement and practical experience, ensuring that due diligence is not handled as a separate compliance task, but as an integrated part of operational and strategic decision-making.

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?

Aclima commits to the joint sustainability strategy for OAG. Our commitment to responsible business conduct is embedded at the strategic level through our ESG strategy, which aligns with the company's vision:

"We aim to be the most preferred brand for high-quality, functional wool clothing — developed with respect for people, animals, and nature."

Key strategies and action plans include:

- Animal Welfare: Sourcing wool from ZQ-certified farms and actively monitoring supplier compliance.
- Environmental Responsibility: Implementing Life Cycle Assessments (LCA) and mapping Scope 2 and 3 emissions.
- Social Responsibility: Promoting living wages throughout the supply chain.
- Governance: Regularly updating policies to align with the Norwegian Transparency Act and OECD guidelines and maintaining open communication with stakeholders.

These commitments are translated into clear KPIs, tracked through annual sustainability reports and integrated into day-to-day operations.

1.C.2 How are the strategies and action plans for sustainable business conduct followed up by senior management and the board?

Top management and the board are working closely with the common goals for OAG. Climate action (reducing GHG-emissions) and sustainable choices for material sourcing are important topics, where Aclima has already made some solid progress.

Aclima's senior management and board are actively involved in overseeing the company's sustainability strategies:

- Board Oversight: The board receives regular updates on ESG progress through annual report.
- Leadership Involvement: The Managing Director is directly involved in the due diligence process and leads the integration of ESG goals into the overall business strategy.
- Internal Reviews: Senior management reviews progress against action plans during biannual management meetings, ensuring that sustainability remains central to company decision-making.
- Stakeholder Engagement: Both management and the board participate in dialogues with key stakeholders, including owners, suppliers, and industry networks, to maintain transparency and align strategies with broader ESG expectations.

This level of oversight ensures that ESG efforts are not isolated but embedded into the company's core strategic direction.

1.D Partnerships and collaboration with business relationships

1.D.1 How does the enterprise communicate the importance of responsible business conduct in its business relationships?

Aclima's commitment to responsible business conduct is embedded throughout our value chain and is actively communicated through structured requirements, dialogue and long-term partnerships. Our approach builds on previous years' practices, but has been further strengthened during the reporting period through clearer strategic anchoring and cross-functional follow-up.

Supplier Code of Conduct

All first-tier suppliers, and the majority of second-tier suppliers, have signed and are required to adhere to Aclima's Supplier Code of Conduct. The Code covers human rights, labour rights, environmental standards, animal welfare and anti-corruption principles. Expectations are communicated clearly prior to entering new supplier relationships and form part of ongoing supplier dialogue.

Structured Due Diligence and Evaluation

We conduct annual risk assessments and structured supplier evaluations. Supplier performance related to quality, compliance, communication and sustainability is assessed jointly by the ESG Specialist and the Chief Product Officer. Tools such as CSR checklists and visual observation lists are used during supplier visits and onboarding processes. Identified risks and findings are reviewed with the full management team to ensure cross-functional ownership and follow-up.

Long-term Partnerships and Predictability

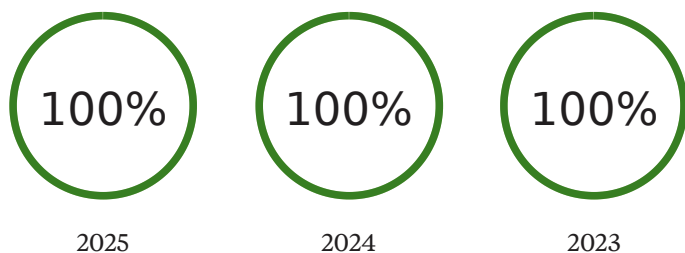
Aclima prioritises long-term supplier relationships based on transparency, predictability and mutual respect. Responsible production planning and reliable order placement are emphasised to support stable working conditions at supplier sites. We aim to maintain fair pricing practices and constructive dialogue rather than exerting unnecessary price pressure.

Incentivising Continuous Improvement

We actively encourage suppliers to strengthen environmental performance, transition towards renewable energy where feasible, reduce waste, and align with higher social standards. Suppliers demonstrating strong ESG performance are prioritised in long-term partnerships. During 2025, the development of our strategy towards 2028 has further clarified sustainability expectations across the organisation, strengthening consistency in how responsible business conduct is communicated and followed up in supplier relationships.

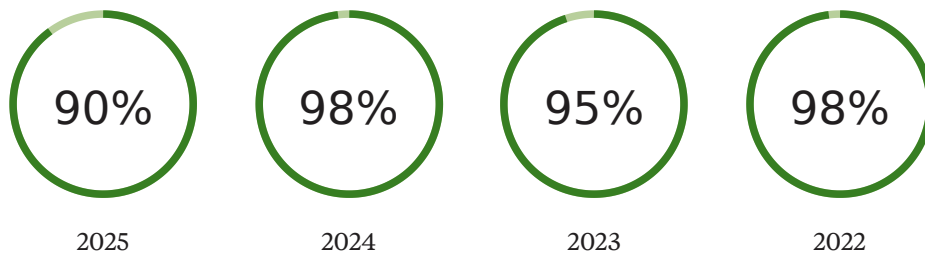
Indicator

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



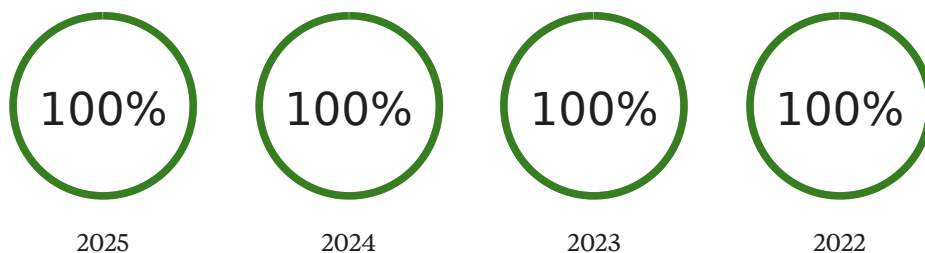
These numbers represent Tier 1 suppliers.

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



We aim to build strong and long-term relationships with our partners. In 2025, we have continued working with most of our existing partners and have entered into collaboration with a few new partners.

Percentage of payments in time to our suppliers



1.E Experiences and changes

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

During the reporting year, Aclima has gained important experience related to the integration of sustainability and responsible business conduct into overall business strategy and operations.

The appointment of a new CEO in 2025 initiated a comprehensive strategic review process, including extensive dialogue with internal and external stakeholders. Through more than 50 interviews with employees, suppliers, customers and other partners, we gained deeper insight into expectations, risk areas and improvement opportunities across our value chain. One key learning has been the importance of stronger cross-functional anchoring and clearer prioritisation of sustainability efforts within overall business strategy.

As a result, sustainability and due diligence are now more explicitly integrated into our strategy towards 2028, with clearer responsibilities and follow-up mechanisms. Identified risks are reviewed collectively within the full management team, ensuring broader ownership and improved alignment between operational decisions and responsible business conduct principles.

Our ongoing EPD project has also provided valuable insight into the importance of reliable primary data and better allocation of emissions across the value chain. This has strengthened our understanding of where our most significant environmental impacts occur and will inform future material choices and reduction efforts.

Furthermore, we have recognised the need for clearer internal structures and communication. This has led to improved role descriptions, implementation of a new quality management system platform, and strengthened routines for supplier evaluation and follow-up.

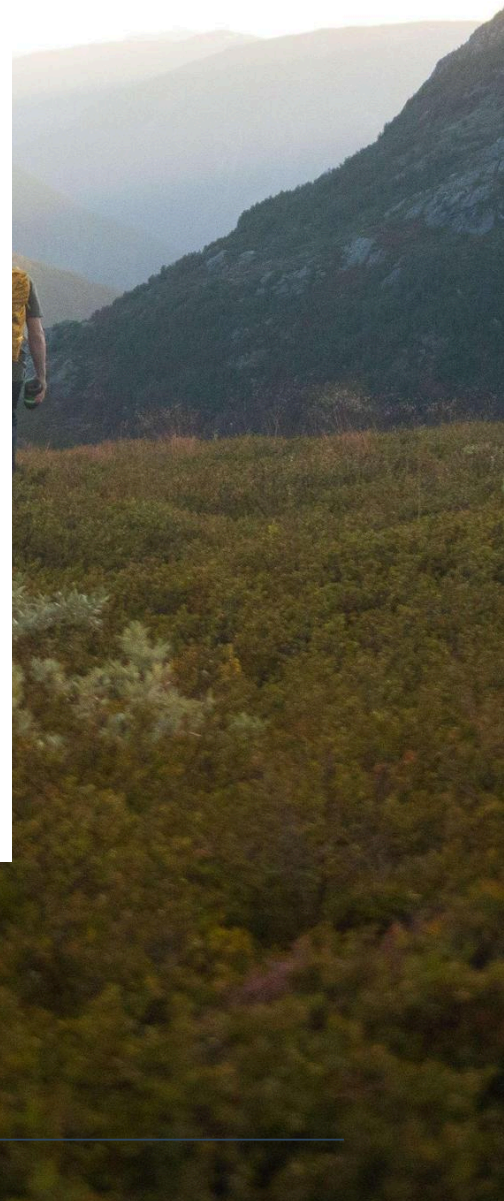
Overall, the reporting year has marked a shift from primarily system-building to stronger strategic integration and cross-functional ownership of sustainability and due diligence processes.

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 prioritized significant risks and/or actual negative impacts on people, animals, society and the environment.

Salient issue	Related topic	Geography
Occupational health and safety	Occupational Health and safety	The European Union
Welfare for merino sheep	Animal welfare	Australia New Zealand South Africa
Climate and Environmental Responsibility	Environment Emission Energy	Global

The priority areas listed above represent the most significant potential impacts identified through our due diligence process. The prioritisation is based on our latest risk assessment and reflects both the severity of potential harm and Aclima's ability to influence conditions within our value chain.

While additional risks exist, these areas have been selected as our main focus due to their potential impact on people, animals and the environment, as well as our opportunity to contribute to meaningful improvements through supplier engagement and material choices.

Many of these challenges are systemic and cannot be addressed by Aclima alone. Progress therefore depends on continued collaboration with suppliers, industry initiatives and broader regulatory developments.

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 prioritized b) activities or sections of the enterprise not covered in this report , if any (product groups, own products, departments etc.), and why c) how the information was gathered, what sources were used, and which stakeholders have been involved d) whether you have identified areas where information is lacking, and how you are planning to proceed to collect more information about this.

a) The company's routines for mapping and identifying risk, and how the risk was identified and prioritised

Aclima conducts annual risk assessments as part of our due diligence process, which is integrated into our quality management system and aligned with the OECD Guidelines and the Norwegian Transparency Act. Risk identification is based on a combination of internal knowledge, supplier dialogue, and external tools. We use risk assessment tools provided by Ethical Trade Norway together with our own operational insight from sourcing, production follow-up and supplier evaluations.

During the reporting year, risk assessments were reviewed with the full management team, including representatives from sales, marketing, production, product development and operations. This ensures cross-functional input and helps prioritise risks based on both severity of potential impact and Aclima's ability to influence improvements within the value chain.

As a result of this process, Aclima has prioritised three key risk areas: occupational health and safety and labour rights, animal welfare in merino wool production, and climate and environmental responsibility within the textile value chain.

b) Parts of the business not covered in the mapping

Our risk mapping focuses primarily on suppliers contributing to our main product categories and core material flows, particularly wool fibre sourcing, yarn production, textile processing and garment manufacturing. Lower-volume products such as ancillary items have not been prioritised to the same extent in the current risk mapping process. However, these products are sourced through long-term supplier relationships, which provide a level of stability and transparency in the production setup.

Aclima aims to continue expanding the scope of mapping efforts to ensure a more comprehensive overview of upstream and downstream value chain activities over time.

c) Sources of information and stakeholders involved

Information used in the risk assessment process is gathered from multiple sources.

Internally, the ESG Specialist leads the process, with input from relevant operational functions including product development, sourcing and production follow-up. Risk assessments and findings are reviewed with the management team to ensure alignment across departments.

Externally, Aclima relies on tools and guidance provided through our membership in Ethical Trade Norway, as well as industry knowledge from organisations such as the Scandinavian Outdoor Group (SOG) and TEKØ. Supplier dialogue and site visits also provide important insight into operational conditions and potential risk areas within our supply chain.

d) Areas where information is limited and how the company will work to improve this

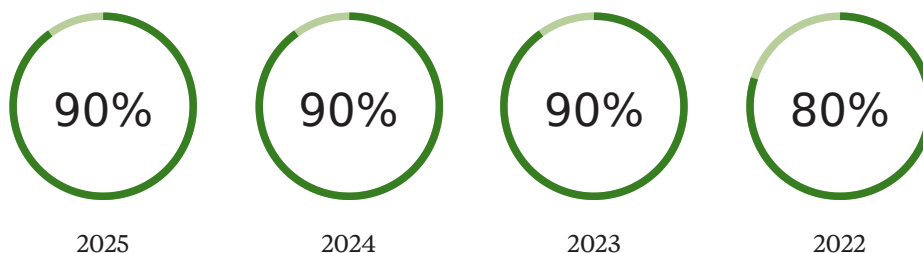
Aclima recognises that visibility further upstream in the value chain remains limited, particularly in early processing stages such as wool scouring, washing and fibre treatment.

While we know the locations of these processing facilities and are aware that several of them hold recognised environmental certifications, detailed insight into operational practices at these stages remains partially dependent on information from our yarn suppliers.

Improving transparency and traceability in upstream stages of the supply chain therefore remains an ongoing priority. Aclima will continue to work with key suppliers to strengthen information flow and documentation, and to further develop our supply chain mapping over time.

Indicator

Percentage of suppliers that have been identified and mapped



The numbers refer to an approximate degree of mapping the entire supply chain of Aclima from our own activities upstream to raw material sources in tier 4; defining most of the processes and activities within each tier, identifying who is involved and where they are located. The part which is still not mapped out, mainly consists of suppliers of synthetic fibers and raw material for some trims (labels and packaging). Supporting activities or flows like transport routes are not mapped in detail yet, either.

ADDITIONAL SEVERE IMPACTS

2.A.3 Describe other risks of negative impacts on people, animals, society and the environment that were identified but not prioritized, and how these have been handled.

Aclima acknowledges that additional risks exist beyond the three priority areas identified in this assessment. Within our European manufacturing network, potential risks related to working conditions may still occur, such as excessive overtime, inconsistent use of personal protective equipment (PPE), or other occupational health and safety challenges. While we maintain long-term relationships with our suppliers and generally observe good compliance with labour standards, isolated issues may still arise in day-to-day operations.

During the reporting period, a small number of such cases were identified through supplier dialogue and follow-up visits. These were addressed through direct communication with the relevant suppliers, focusing on corrective actions and practical improvements. The discussions were constructive, and solutions were implemented locally by factory management.

These types of operational issues are monitored through ongoing supplier dialogue, site visits and regular supplier evaluations. While they were not assessed as the most significant systemic risks in our value chain, they remain part of our continuous due diligence follow-up.

Aclima will continue to monitor these topics and address them through regular engagement with suppliers, ensuring that occupational health, safety and workers' rights remain central elements in our supplier relationships.

A woman with long brown hair, wearing a dark green knit beanie and an orange jacket, is looking upwards in a snowy forest. The trees are covered in snow and frost. She is holding a white trekking pole with a black handle. The background is a soft-focus winter scene with snow-covered branches.

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 Describe goals and progress status for the measures you have implemented to reduce the enterprise's prioritized negative impact

	<p>Occupational health and safety</p>
<p>Goal :</p>	<p>Aclima's overall objective is to ensure safe working conditions and respect for labour rights throughout our supply chain, with zero tolerance for serious incidents and continuous improvement of health and safety practices at supplier sites.</p>
<p>Status :</p>	<p>Our main production partners are located in Europe and are long-term collaborators, which provides a solid foundation for stable working conditions and dialogue. No major systemic breaches have been identified during the reporting year. However, minor operational challenges related to working hours and use of personal protective equipment have been observed and followed up through supplier dialogue. Overall, we assess the risk level as moderate, with ongoing need for monitoring and continuous improvement.</p>
<p>Goals in reporting year :</p>	<ul style="list-style-type: none"> - Strengthen systematic follow-up of occupational health and safety at supplier level - Increase awareness of labour rights and safe working practices among suppliers - Improve documentation and consistency in supplier evaluations related to OHS

Describe already implemented or planned measures :

- Conducted regular supplier evaluations including OHS-related criteria such as working hours, safety practices and use of protective equipment
- Followed up identified issues through direct dialogue with suppliers and agreed corrective actions
- Continued use and development of structured tools (CSR checklists and visual observation lists) during supplier visits
- Integrated OHS considerations into annual risk assessments and management reviews
- Strengthened internal routines through implementation of a new quality management system, improving documentation and follow-up
- Ongoing focus on long-term supplier relationships to ensure predictability and support stable working conditions

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

:



The measures implemented during the reporting year have contributed to improved awareness of occupational health and safety risks among suppliers and more structured follow-up of identified issues. Cases identified have been resolved through dialogue and corrective actions, strengthening mutual understanding and expectations.

For the next reporting year, Aclima will continue to strengthen documentation and consistency in supplier evaluations, further integrate OHS follow-up into the quality management system, and maintain regular dialogue with suppliers to ensure continuous improvement.



	Welfare for merino sheep
Goal :	<p>Increase the percentage of certified wool, in order to ensure better control of animal welfare aspects.</p> <p>The ultimate goal is of course to source 100% certified wool. Our initial target, set in 2022, was to reach this goal within 5 years. However, it remains challenging predict when we will be able to offer certified wool only, in products to the public procurement segment.</p>
Status :	<p>The share of certified wool has unfortunately continued to decreased in 2025, due to the fact that Aclima's order volumes to public procurement customers have grown substantially while our sport and outdoor sales within the private market have declined.</p>
Goals in reporting year :	<p>Increase the percentage of certified wool - this goal will be continued until we reach the ultimate target: 100% certified.</p>

Describe already implemented or planned measures :

The public procurement market is key to increasing our share of certified wool. We are continuously working to influence decision-makers and promote the adoption of more sustainable sourcing requirements within this sector. We could have achieved this goal years ago if our business were not heavily reliant on securing procurement contracts. However, quality requirements and price sensitivity have been the primary factors influencing our ability to compete in this segment.

Aclima has always maintained a clear strategy of producing all yarn, fabric, and assembling garments within Europe, leaving little room to further increase product costs by sourcing more expensive certified wool. As a result, offering certified merino wool to customers in this sector has not been a viable option in the past.

To drive change, Aclima has actively worked—and will continue to work—on influencing customers in this sector, both through direct dialogue and via Requests for Information (RFIs). These RFIs, a voluntary self-validation process for contractors, are often released prior to an official tender announcement, providing an opportunity to advocate for sustainability-driven specifications.

Additionally, we will consider including products made from certified wool in our tender applications, even when such certification is not explicitly required in the specifications.

By collecting more data on the emissions and impacts associated with our production, we hope to provide quantifiable arguments for using certified wool in the future. Our aim is that this data-driven approach will support informed decision-making and contribute to positive change within the industry.



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

We hope to see that more and more of public procurement authorities understand the value of certified wool, and will choose to revise their requirements accordingly. Some of our typical customers in this segment are already showing a lot of progress in the field, but it's hard to predict what each and every one of the authorities can or will do, and when.

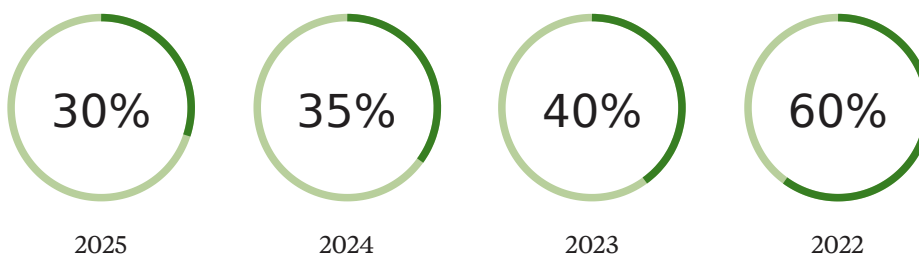
The recently updated Public procurement act in Norway might help to set a new standard, although the focus in the act clearly lies on weighting in social and environmental requirements, not with specific attention to animal welfare as that is not necessarily a relevant topic in all forms of procurement. Aclima will continue to try and influence the set of requirements from the public sector, while hoping that we could be selected as the preferred supplier of wool underwear even if the products we offer are a bit more costly due to certified material.

The end of 2024 reminded us that even with some of the industry's highest animal welfare standards, we must remain vigilant and transparent as a producer. At the turn of the year, images of sheep mistreatment during shearing on allegedly ZQ-certified farms were released. We have been closely monitoring the situation and remain committed to ensuring the highest standards of animal welfare in our supply chain. Both New Zealand authorities and New Zealand Merino, which operates the ZQ program, have responded with full transparency, clearly stating that such actions are completely unacceptable. Efforts are currently underway to identify where these incidents took place and to implement corrective actions based on the findings. Regardless of the outcome, New Zealand Merino has confirmed that it will tighten protocols and take active, intensive measures to safeguard animal welfare across all certified farms.

We fully support these efforts and will continue to demand accountability, transparency, and the highest ethical standards in our sourcing practices. This will be ensured through close and open dialogue, regular follow-ups on written reports, and updates on the current situation. Additionally, we will monitor the effectiveness of new measures and engage in discussions about future planned actions to ensure continuous improvement.

Indicator

Share of certified wool - by volume



As explained above, the volume of non-certified wool decreased in 2025, following a major growth of business in the price sensitive public procurement sector - a growth that started to really take off in 2022. As a natural consequence, the certified share has now decreased two years in a row, compared to previous year.

It should be mentioned that even for non-certified fiber, Aclima still has high demands on animal welfare. Among other things, we refer to the "Five Freedoms" from the Prevention of Cruelty to Animals Act and we have a

zero tolerance to mulesing, clearly stated in our code of conduct which is part of both our company policy for responsible business conduct and our guidelines for suppliers.



	Climate and Environmental Responsibility
Goal :	Contribute to -42% ghg emissions by 2030 within OAG group
Status :	Ongoing. We will continue to set new targets within environmental and climate impact, as this is directly linked to our core values. As a production company, we recognize our responsibility to minimize our footprint and will remain committed to continuous improvement in sustainability.
Goals in reporting year :	Transitioning to green energy at our factory in Estonia

Describe already implemented or planned measures :

We have taken significant steps toward greener energy solutions at our factory in Estonia. Air-to-air heating systems are now installed, along with solar panels on the roof, further reducing our environmental footprint and increasing energy efficiency across our operations.

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

We are working to map our Scope 2 and Scope 3 emissions to gain a clearer understanding of our overall climate impact.

Going forward, we will implement additional measures and projects to reduce our emissions and lessen our overall environmental footprint.

In 2025, our focus will be on data collection and the development of quantifiable emission data related to our products. This initiative will enable us to make data-driven decisions in product development, ensuring that we actively work to minimize emissions throughout our value chain.

Additionally, this effort will provide end consumers with transparent and reliable product information, allowing them to make informed purchasing decisions based on sustainability and environmental impact.

Within the year, we will launch repair services for our end consumers, helping to extend the lifespan of our products and reduce waste. This initiative aligns with our commitment to circularity and responsible consumption.

Additionally, we will place greater focus on care and maintenance in the aftermarket, ensuring that our products remain as environmentally friendly as possible throughout their lifespan. Through clear communication and accessible information, we take responsibility for guiding consumers on best practices for washing, maintaining, and preserving their Aclima garments.

We also aim to increase awareness within the company regarding business travel, considering both frequency and mode of transportation. While in-person meetings can provide significant social and operational benefits, particularly when visiting supplier facilities, we recognize the need to balance travel with sustainability considerations.



Moving forward, we will evaluate when and how travel is necessary, seeking to reduce emissions where possible while ensuring that critical supplier relationships and operational needs are maintained effectively.



3.B Other actions related to management of negative impact

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

The primary operations in Aclima's supply chain that involve the use of water, chemicals, and energy include scouring, superwash treatment, dyeing, and finishing.

While we have general assumptions about the measures needed to reduce negative environmental impact, further data collection and collaboration with our suppliers will be essential in identifying and implementing effective solutions. This includes optimizing water and chemical use, transitioning to greener energy sources, and ensuring compliance with best environmental practices in all relevant processes.

Scouring

The process of degreasing and removing dirt and other residue from wool tops clearly demands a certain amount of water, detergents and energy. Aclima has one main provider of this service in our supply chain. Still, we should find out more about the supplier's facilities, processes and routines to get an idea about their impacts on a local level.

Superwash treatment - Hercosett

A chlorine based treatment that is followed by adding a thin polymer film to the wool fibers, preventing them from felting. The major reason for Aclima to use wool with this "total easy care" finish is to ensure easy maintenance for our customers. By making the wool products more resilient to certain washing and drying conditions, we noticeably reduce the risk of high shrinkage and felting - something that could in worst case lead to the garment being unusable after only a few times washing. This "less-shrinking" feature is especially important for our public procurement customers and their end users, and in many contracts it's even a must-have in order to fulfil basic quality requirements.

The same supplier who does the scouring of wool tops also adds the superwash treatment to our fibers. Besides learning more about their routines connected to these processes and how negative impact could potentially be reduced in the current systems, we are also aware that more sustainable alternatives to superwash wool exist. The challenge is that those options still don't seem to have good enough effect compared to Hercosett. One or two variants have been tested out by Aclima in the past, but the results were deemed not satisfying. We will continue to look for a realistic substitute, through dialogue with our fiber and yarn suppliers and by following the technical development in the field.

Dyeing and finishing

All dyeing of wool fiber (tops dyeing), yarn and fabric is done at our partners' facilities in Europe, which means that Aclima representatives have quite close access to visiting these mills. The tops dyeing plant is based in Germany, and the owners have recently made some major investments which led to a 50% reduction in both energy, gas and water usage in 2023. Fabric dyeing and finishing mills in Denmark and Poland are also invested in using green energy, building energy- and water saving internal systems and improving their waste water treatment.

We recognize that Aclima's ability to further influence these activities is currently limited. However, we remain committed to collaborating with our suppliers, advocating for best environmental practices, and exploring opportunities to encourage sustainable improvements where possible. Through transparency, engagement, and responsible sourcing, we will continue to monitor and assess potential areas for future impact.

3.B.2 Reduction of greenhouse gas emissions

The Science Based Targets initiative (SBTi) provides corporations with a framework to set and follow emission reduction targets in alignment with the Paris Agreement. As part of Open Air Group (OAG), Aclima has actively contributed to the group's SBTi commitments, playing a key role in advancing sustainability efforts throughout 2025.

Currently, the specific SBTi target within OAG focuses on reducing greenhouse gas (GHG) emissions by 42% by 2030, but this only includes Scope 1 and Scope 2 emissions. While this is a crucial step, Aclima recognizes the importance of addressing Scope 3 emissions, which represent the largest share of our overall climate impact.

Together with OAG, Aclima has set a new goal: to start measuring Scope 3 emissions in order to identify opportunities for climate impact reduction within this category. For several companies within OAG, Scope 3 emissions represent the largest share of total emissions—yet they are also the most challenging to measure due to the complexity of identifying, collecting, and verifying all relevant data.

While standard key figures can be used to estimate emissions, it is clear that for Aclima, wool as a raw material significantly contributes to our total carbon footprint due to its relatively high CO₂e per kg.

Since we have no plans to replace wool with alternative materials, we must instead explore other ways to reduce our environmental impact. This includes optimizing supply chain efficiency, improving energy use in production, extending product lifespan through repairs, and collaborating with industry partners to drive sustainability improvements across the value chain.

3.B.3 Improvements in own purchasing practices

Aclima prioritizes long-term relationships with all our suppliers; yarn spinners, knitters, dye houses and garment manufacturers.

Although there are apparent peak seasons in sales, production planning is made with as even flow as possible throughout the year, in order to secure a more predictable and stable work environment for our suppliers. While making use of low season and producing some of our orders more in advance than necessary, Aclima AS and OÜ also take responsibility to store ready-made goods in our own warehouses instead of pushing sub-contractors to do this.

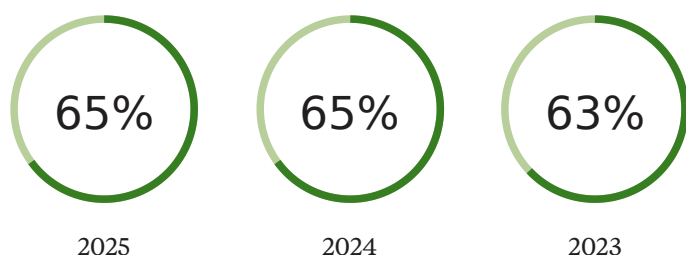
The aim for price negotiations is to always be fair and prepared to compromise, which is an important part of both long-term business relationships and stable, reliable product quality.

For customers where we produce directly to order, we make it a priority to clearly communicate the importance of timely ordering. We emphasize that delays in their orders have significant ripple effects throughout the supply chain, impacting production efficiency and scheduling for our suppliers and their employees.

This is not only crucial for individual production planning, but also serves to raise awareness about responsible purchasing practices—extending the understanding of supply chain dynamics all the way to the end consumer.

Indicator

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



These numbers reflect relationships with T1 suppliers (total 18 suppliers in 2025).

Due to the fact that Aclima's revenue has been growing immensely the last few years, there's been an acute need to find more production capacity and therefore we have started up more new collaborations lately, compared to earlier years. Since many of our sub-contractors in T1 are relatively small companies, it has not necessarily been possible to get more capacity with the existing suppliers.

3.B.4 Choice of products and certifications

Certified merino wool remains a key priority for Aclima, as wool is the foundation of our business. While we have not yet managed to increase the total share of certified fiber, we continue to work closely with the ZQ and ZQRX programs of the New Zealand Merino Company (NZM).

The ZQRX program focuses on regenerative farming, incorporating soil health, biodiversity protection, water conservation, carbon sequestration, and rural community development. Farmers certified under the RX standard are continuously assessed against 15 key indicators in the ZQRX Index, a tool designed to educate, monitor progress, and tailor improvements to suit different farm sizes and locations.

In addition to our commitment to responsible wool sourcing, Aclima has long prioritized the use of Oeko-tex 100-certified materials, ensuring that nearly our entire product range meets this high environmental and health standard.

Furthermore:

- All paper used in product packaging is FSC-certified.
- All plastic garment bags are made from sugarcane-based bioplastic.

Reborn: Closing the Loop in Wool Recycling

We are especially proud of the reborn product concept, which integrates 100% recycled fabrics into our garments. What sets this initiative apart is that approximately 70% of the fiber content in these fabrics comes from our own production waste. In collaboration with trusted recycling partners, we have established a closed-loop textile-to-textile recycling system.

As cut-offs are inevitable in any production process—regardless of how efficiently patterns are planned—we collect and color-sort fabric scraps from 100% wool fabrics at our factory in Valga, Estonia. These offcuts are then sent to specialized recycling experts in Italy, where they undergo a structured process:

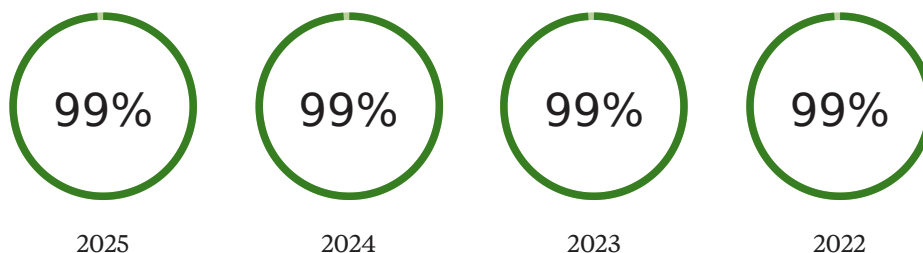
- Wool shredding and fiber recovery.
- New yarn production from recycled fibers.
- Fabric manufacturing (knitting and weaving) using regenerated wool.

To improve durability, a percentage of synthetic fibers (polyamide and polyester) is added to the recycled wool. These fibers are also recycled and GRS-certified. While some polyamide fibers are dyed to blend with the wool waste and create commercially viable colors, we completely avoid additional dyeing of the recycled wool yarns and fabrics.

Additionally, all trims used in ReBorn garments—including buttons, labels, and drawstrings—are carefully selected with a focus on sustainable sourcing.

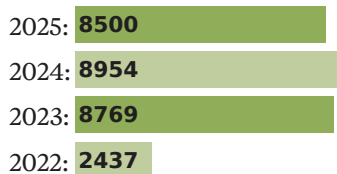
Indicator

Percentage of product range that has Oeko-Tex 100 certification



The only products in our range which do not have Oeko-Tex 100 certification, are the ones under our Reborn concept, made with recycled wool from our own production waste. This material is not yet possible to certify, even though the components are waste from already certified virgin material. Because the volumes within Reborn are still small (less than 1% of total sales) we have currently chosen not to apply for garment certification, for economic reasons. As soon as it's possible to certify the material (yarn and fabric) we will consider garment certification.

Number of garments sold under the Reborn product concept



At the moment, it makes more sense to measure this in numbers rather than percentage of sales. Out of Aclima's total revenue, ReBorn is still a small part.

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

As part of our policy for responsible business conduct and our guidelines for suppliers, both including our code of conduct, the 2nd principle of the code is:

2. Freedom of Association and the Right to Collective Bargaining (ILO Conventions Nos. 87, 98, 135 and 154)

2.1. Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with, obstruct, the formation of unions or collective bargaining.

2.2 Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.

2.3 Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

In the countries we operate in (basically all T1 suppliers are located within Eastern Europe) free union organisation is possible, but we know that many workers do not wish to be part of a union. According to our understanding, it has a lot to do with the heritage of social history.

Since part of our production runs through China, it is important to recognize that the right to unionize is not upheld throughout our supply chain, as it is legally restricted in the country. We acknowledge that this is a systemic challenge beyond what we can resolve alone.

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

Internally, we will focus on competence development and awareness around due diligence assessments by integrating this topic into existing meeting structures and fostering cross-departmental collaboration. By clarifying specific tasks related to due diligence and ensuring that it remains a standing agenda item in management meetings, we aim to significantly enhance internal awareness and expertise on this subject.

Our ESG Specialist frequently participates in trainings, seminars and webinars organized by Ethical Trade Norway, TEKO, NF&TA, and other industry forums and organizations. Summaries are always shared with management and other relevant stakeholders to ensure effective knowledge transfer. This practice helps to disseminate key insights, keep leadership informed of new developments, and support continuous improvement in our sustainability efforts.

ESG is always on the agenda during our biannual company-wide meetings, ensuring that due diligence assessments and the methodology we follow are naturally integrated into the information shared. This approach helps to reinforce awareness and understanding across the organization, keeping all employees informed and engaged in our responsible business practices.

Using Social Audit Insights to Improve Practices

The SMETA 2-Pillar audit conducted at Aclima OÜ in 2024 served as more than a compliance measure—it was a valuable opportunity for learning and improvement. The audit helped us identify areas for enhancement in workplace safety and documentation, while confirming the strength of many existing practices related to employee well-being and environmental performance.

The audit prompted internal dialogue between site management in Estonia and our leadership team in Norway, strengthening coordination across our operations. It also highlighted the value of regular, structured evaluations in maintaining safe, fair, and responsible workplaces.

The audit's insights will also inform how we structure future follow-ups with suppliers and reinforce our expectations in areas such as health and safety, training, and transparency.

“Looking back at the SMETA audit process, it was a valuable moment of self-assessment and growth for our company. The audit helped us better understand the strengths in our operations and occupational safety, as well as the areas where we can further contribute to employee well-being and environmental sustainability. It was not just a compliance check—but a meaningful opportunity to strengthen our internal systems and values.” Maive Saarepera, CEO Aclima OÜ

These outcomes show how third-party assessments can drive real, actionable improvements, reinforce our values, and enhance long-term sustainability and resilience in our operations.

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

As part of our policy for responsible business conduct and our guidelines for suppliers, both including our code of conduct, the 12th principle of the code is:

12. Corruption

12.1. Corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers or employees of any such party or government officials.

Our internal policy also defines further, that employees of Aclima AS and OÜ shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their own interest or in the interest of customers, agents or suppliers.

As a part of Open Air Group (OAG), all Aclima employees are additionally required to accept OAG's internal code of conduct, which amongst other things states a zero tolerance against all forms of corruption.

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

The design, development & production team in Aclima has a clear focus on functional and comfortable garments that look good without unnecessary details added. We have a carefully developed guide for design and product development, which includes the idea to only replace some colours gradually from one collection to the next, instead of pushing out new colours every season just to attract customers to buy more. Our aim is that all material and product development shall get enough time to find it's right quality and place, before we launch any new styles or concepts.

From time to time, Aclima will make use of deadstock fabrics by setting up special orders suitable for this, simply turning leftover fabrics in our Valga warehouse into sellable and useable garments. Usually, these garments will be sold in our outlet shop at the Krøderen warehouse but in some cases it might result in a limited edition colour for a certain product. We believe this is a true win-win situation, where we can give high quality fabrics the life they deserve in form of a product at the same time as we clear out space in our material stock, and be able to offer our customers great quality products for a very good price (in the case of outlet).

In a wider perspective, it's worth repeating that the close collaborations Aclima has with almost every contributor throughout our supply chain, really gives us a good position that enhances the opportunities to make positive change.

To ensure that we continuously explore new opportunities and developments within sustainability, our owners have mandated that we engage in at least one innovative project related to sustainability each year. This commitment drives continuous improvement, encourages new solutions, and possibly make real changes.

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 a) assignment of responsibility for tracking the effect and result of implemented measures, as well as how the tracking is carried out in practice, b) who is responsible for evaluating the enterprise's implementation and work with due diligence, and how the evaluation is carried out in practice.

a) Responsibility for monitoring the effectiveness of measures

The ESG Specialist holds primary responsibility for monitoring the effectiveness and results of measures implemented to address identified risks. This role is also responsible for the company's quality and environmental management system, ensuring alignment with ISO 9001 and ISO 14001.

In practice, monitoring is carried out through structured supplier evaluations, ongoing supplier dialogue, and follow-up of corrective actions. Tools such as CSR checklists and visual observation lists are used during supplier visits, and findings are documented and followed up through the quality management system.

Since the previous reporting period, the follow-up of risks and measures has been further systematised and strengthened. Identified risks and mitigation actions are now regularly reviewed with the full management team, ensuring cross-functional involvement and better integration into operational decision-making.

b) Responsibility for evaluating the due diligence work

The overall responsibility for evaluating Aclima's due diligence work lies with executive management, with the CEO ensuring oversight and follow-up.

The ESG Specialist prepares the basis for evaluation, including annual risk assessments, status updates and reporting. The evaluation is conducted through management processes such as management reviews and strategic follow-up, where results, challenges and improvement areas are discussed.

Compared to the previous reporting period, the due diligence work has become more structured and integrated into the organisation. The evaluation process now involves a broader part of the management team, strengthening ownership, alignment and follow-up across departments.

4.A.2 Describe how you track the effect, and/or demonstrate the probability of effect, of measures taken to reduce negative impact.

Aclima assesses the effectiveness of implemented measures through a combination of structured follow-up, supplier dialogue and internal management processes.

Effect is primarily monitored through regular supplier evaluations, where performance related to working conditions, compliance and sustainability is assessed over time. Improvements or recurring challenges identified in these evaluations provide an indication of whether implemented measures are effective.

In addition, findings from supplier visits, including the use of CSR checklists and visual observation tools, are used to verify working conditions and follow up on previously identified issues. Corrective actions are tracked through ongoing dialogue with suppliers.

Risk development is also assessed through annual risk assessments, where changes in risk levels are evaluated based on updated information, supplier input and external risk data.

Internally, due diligence findings and progress are reviewed with the management team, allowing for continuous evaluation of whether measures lead to the intended improvements.

Aclima's long-term supplier relationships remain an important foundation for this work, as they enable open communication, transparency and continuous improvement over time.

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

Aclima is committed to transparent and open communication with stakeholders regarding both identified risks and how these are addressed.

Internal communication

Employees are informed about relevant sustainability topics, risks and improvement measures through regular meetings, internal updates and ongoing dialogue. This ensures awareness and enables employees to raise concerns or contribute to improvements.

Management and owners

Due diligence findings, risk assessments and follow-up measures are communicated through management processes and board meetings, ensuring alignment and oversight at executive level.

Customers and business partners

Relevant information regarding sustainability efforts and handling of risks is communicated through direct dialogue, newsletters, and customer interactions. We emphasise transparency and aim to align expectations related to responsible production and realistic delivery timelines.

Suppliers

Suppliers are our most important stakeholders when it comes to managing adverse impacts. Communication is primarily carried out through ongoing dialogue, email communication and regular on-site visits. Identified issues are addressed directly with suppliers, and corrective actions are discussed and followed up in collaboration. Long-term relationships and mutual trust are key to ensuring effective communication and continuous improvement.

Own production (Aclima OÜ)

Aclima maintains close and structured communication with its own factory in Estonia. Weekly management meetings, cross-functional collaboration between departments, and frequent on-site visits ensure alignment and effective handling of operational and sustainability-related issues.

In addition, annual reviews of the quality management system at Aclima OÜ are conducted to ensure alignment with Aclima's environmental and social standards.

Aclima also responds to inquiries from external stakeholders, including organisations and media, and aims to contribute to transparency where relevant.

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

Aclima is committed to transparent public communication regarding our due diligence work, including how we identify and address potential adverse impacts in our value chain.

Own digital platforms

Our primary communication channel is our sustainability section on our website, where we publish our policies, Supplier Code of Conduct, and annual reporting to Ethical Trade Norway. We also provide information about our supply chain, animal welfare practices, product care and repair initiatives, contributing to increased transparency towards customers and other stakeholders.

Group-level communication

Additional information on sustainability strategy and climate commitments is available through our parent company, Open Air Group, including targets related to climate action.

Product-level communication

Sustainability information is also communicated directly to customers through product hangtags, where key certifications and material information are clearly presented.

Industry engagement and knowledge sharing

Aclima actively participates in industry networks such as Ethical Trade Norway, Scandinavian Outdoor Group (SOG), TEKO and Norsk Industri. Through these platforms, we share experiences, contribute to discussions on responsible business conduct, and engage in knowledge sharing related to topics such as the Norwegian Transparency Act.

Open dialogue and responsiveness

We aim to maintain an open and transparent dialogue with external stakeholders. Aclima responds to inquiries from organisations, customers and media, and is open to feedback and critical questions. We recognise that transparency includes both sharing progress and acknowledging challenges, and we strive to communicate our work in a balanced and credible way.

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

Aclima has established routines to ensure that external inquiries related to the Norwegian Transparency Act are handled in a structured, timely and transparent manner.

External inquiries are typically received via email (aclima@aclima.no), where the customer service team acts as the first point of contact. All inquiries related to due diligence, supply chain transparency or responsible business conduct are forwarded to the ESG Specialist or other relevant functions, depending on the nature of the request.

The ESG Specialist is responsible for coordinating responses, ensuring that the information provided is accurate, relevant and aligned with the requirements of the Transparency Act. When needed, input is gathered from relevant internal stakeholders, such as product development, sourcing or management.

Aclima aims to respond to all inquiries within a reasonable timeframe and in accordance with the requirements set out in the Transparency Act. The company is committed to providing clear and accessible information, while also being transparent about any limitations in available data.

Information about our due diligence work, policies and supply chain is also publicly available on our website, which serves as a key resource for stakeholders seeking insight into our practices.



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 impact

Aclima's approach to remediation is defined in our Policy for Responsible Business Conduct and is aligned with the OECD Guidelines for Multinational Enterprises.

If Aclima identifies that our activities have caused or contributed to adverse impacts on people, animals, society or the environment, we are committed to stopping the activity and contributing to appropriate remediation. Where adverse impacts are linked to our suppliers, we expect the supplier to take responsibility for remediation, while Aclima follows up through dialogue, monitoring and support.

Aclima emphasises a collaborative approach to remediation, working closely with suppliers to identify root causes and implement corrective actions. This includes follow-up through supplier evaluations, on-site visits and ongoing communication to ensure that agreed measures are implemented effectively.

During the reporting year, Aclima has further strengthened its approach by improving internal structures and clarifying responsibilities related to handling and follow-up of adverse impacts. The implementation of a new quality management system supports more consistent documentation and follow-up of corrective actions. Where relevant, Aclima may seek guidance from external resources, such as Ethical Trade Norway, to ensure that remediation processes are aligned with recognised best practices.

Aclima continues to develop and formalise its routines for grievance handling and remediation processes to ensure clarity, consistency and accountability across the organisation.

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

To our knowledge, there have been no instances where Aclima has caused harm to people, communities, animals, or the environment that would require remediation.

6.B. Ensure access to grievance mechanisms

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

As part of Open Air Group (OAG), all employees at Aclima AS have access to a whistleblowing system through the Simployer platform. This system has also been implemented for Aclima OÜ in Estonia, ensuring that employees have a secure and confidential channel to report concerns.

We actively engage with our suppliers to understand how they respect workers' rights and whether they have adequate mechanisms in place for handling complaints—both directly and anonymously. Our supplier guidelines clearly state that we expect them to have a formal complaint system covering human rights, labor rights, environmental concerns, and corruption. To further reinforce this, the requirement is also included in our CSR checklist, which must be completed before entering into any new partnership.

Looking ahead, we see value in conducting an annual partner survey among our suppliers to gain a clearer indicator of how these systems are functioning and where improvements may be needed.

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