

Report on

Responsible Business Conduct 2021

for Bergans Fritid AS



SUSTAINABLE GOALS



To Readers Of The Report

Business has a major impact on people, society and the environment. It can make positive contributions to development but can also have negative impacts and cause harm. Companies therefore play a key role in achieving the UN's Sustainable Development Goals (SDGs). The Norwegian government expects all companies, regardless of size, to map, prevent, limit and communicate on how they handle risks for negative impact, as well as remediation mechanisms in cases of harm on people, societies or the environment. This is known as due diligence and applies to the private and public sector as well as organizations. As a consequence of the recently passed Transparency Act (åpenhetsloven), all larger corporations are obliged by law to conduct due diligence and show transparency in this work from 1 July 2022.

Members of Ethical Trade Norway have committed themselves to work with mandatory due diligence for responsible business practice. The foundation for this work is Ethical Trade Norway's Declaration of Principles (code of conduct) which covers the areas decent work, human rights, environment/climate, anti-corruption and animal welfare.

The reporting template is designed for the company to show transparency in their work on responsible and sustainable business practice, as described in the UN Guiding Principles (UNGP) and the OECD Guidelines for Multinational enterprises. The report should show how the company works with due diligence, and describe what challenges the company faces, which measures are being implemented to handle these challenges, as well as progress and results. All member reports are publicly available on Ethical Trade Norway's website.

Heidi Furustøl *Executive Director* Ethical Trade Norway

Due diligence

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

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



Preface From CEO

Our vision is to lead and inspire towards a sustainable future. With nature as our playground, we have a responsibility to protect nature and our common resources for future generations. As part of the global textile industry, we bear a social responsibility for all workers in our supply chain. Our membership at Ethical Trade Norway is crucial for taking on the complex realities of ethical trade. We benefit greatly from supportive tools, expert advice, and valuable initiatives.

We have set ambitious goals in our sustainability strategy "Expedition 2030". We know that we can only reach these goals by collaborating with others – and especially with our partners in the supply chain. In 2021 Bergans changed ownership and is now part of a larger Norwegian sports constellation. This will not have any effect on our due diligence work – if any we believe it will strengthen it.

As most others, we were hoping that 2021 would be a better year than 2020. We were hoping that the pandemic would loosen its hard grip on the world, and that we would be able to travel and visit our great suppliers again. We were crossing our fingers for no more lock downs at the production facilities, and that the workers could go back to normal working days. We were ready to pick up where we left with our improvement projects. Alas, covid has greatly affected our industry yet another year.

And if that was not enough, on the 1st of February the military in Myanmar carried out a military coup, taking over the leadership of the country from the legally elected NLD party. Peaceful protests from the people, including trade unions and labour rights organisations, were met with an increasingly violent response – and killings. Bergans has four suppliers in the country, and we were horrified learning about the situation and deeply worried about the safety of the workers and their families. We have had a close and at times daily dialogue with our suppliers, and we received thorough advice from Ethical Trade Norway, The Norwegian People's Aid, and other national and global companies in our industry. Because of the disruption, Bergans was forced to move some of our production out of the country. Still, we will not end the partnership with our suppliers. When the situation changes for the better, we firmly believe that the presence of the global textile industry in the country can have a positive impact on people's lives.

Like last year, we have again experienced that our long-term relationships and our resilient value chains has given us an advantage in tackling the consequences of Covid. We have had a continuous and good dialogue with our suppliers during the year, finding new ways to cooperate on product development and delivery issues through closer communication. Sadly, we experience that our project with Quizrr, focusing on workers education and engagement to help improve working conditions on site, has not gone forward the way we planned. We do hope that 2022 will be a better year for common projects that facilitate improvements.

We welcome the new Transparency Act when it comes into force the 1st of July this year. We believe that openness in global value chains and more collaboration is key to push businesses towards more ethical trade practices and more sustainable operations. However, we do urge the civil society to have realistic expectations to Norwegian businesses. Carrying out due diligence assessments in a complex supply chain is a challenging exercise. Many companies will need both time, good guidance and training to become the competent advocates of human rights that we want to be.

Climate change is the biggest threat of our time. This became even more evident for us this year when we participated in a business event in Glasgow during the UN Climate Change Conference, COP26, in November. Although the consequences of the climate crisis are overwhelming to take in, we allowed ourselves to become a bit more hopeful when we learned about all the great initiatives from governments, cities, researchers, civil society, international institutions, the finance sector – and businesses from all over the world. It's not "all talk" – there's also a great deal of actions taking place.

Bergans is a part of the Scandinavian climate network STICA – The Swedish Textile Initiative on Climate Action – to set reduction targets and better collaborate within the industry. In 2021 we reported our climate emissions in scope 1 and 2, and for the first time on scope 3 as well. We buy renewable energy for our own operations. We have continued to increase our share of recycled materials, use less harmful dyeing techniques as well as collaborated on the development of a more sustainable textile fibre based on wood.

We continue moving our business model towards a more circular economy – with services like repair and rental, product return and re-sales as well as redesign. In 2021 we have taken great steps in developing a subscription model for kid's coveralls. The most effectful way of reducing the environmental impact of our products is to extend their life span.

Our products are our value carriers – enabling people to enjoy the outdoors and providing thousands of jobs. Comprehensive environmental and ethical standards in our supply chain in combination with high quality products with a long life are key factors for sustainable success. We are motivated to continue our sustainability efforts in 2022 – together with all our stakeholders.

" Believe in tomorrow - explore today "

Jan Tore Jensen *Chief Executive Officer*

Company information and business context

Key company information

Company name

Bergans Fritid AS

Head office address

Hagaløkkveien 13, 1383 Asker, Norway

Main brands, products and services offered by the company

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

Description of company structure

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

Turnover in reporting year (NOK)

682 000 000

Number of employees

216

Major changes to the company since last reporting period

In 2021 Bergans changed ownership and is now part of the Norwegian sports constellation, Sport Holding. No further changes to the organization of the company has been made due to the change in ownership. We opened a new Brand store in Trondheim, Norway and opened our German web shop (B2C sales).

Contact person for the report (name and title)

Yngvill Ofstad (Sustainability) / Christoph Centmayer (Sustainability)

Email for contact person for the report

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Supply chain information

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

Bergans does not own any production facilities but purchase directly from 18 different product manufacturing companies (tier 1). Normally no agents are used for tier 1. We design and develop all our products on our own, thus we do not order ready-made products. More or less all materials used are nominated from our side and we do maintain direct relationships to around 90 fabric and trim suppliers (tier 2), even though our product manufacturers buy these materials from them. The textile supply chain is complex, and many parties are involved. To have direct contact with both tier 1 and tier 2 is a strength in our supply chain set-up, when it comes to both quality and sustainability.

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

108

Comments

The number above includes both tier 1 (18 product manufacturers) and tier 2 (ca 90 fabric and trim suppliers). Indirect spend is not included.





In the textile industry, it is often the case that fabric suppliers do not own their own production facilities, but work with different subcontractors (e.g. PrimaLoft or We aRe SpinDye, who own and market their ingredient brand, but utilize different production facilities)

List of first tier suppliers (producers) by country

China :	8		
Vietnam :	5		
Myanmar/Burm	a: <mark>4</mark>		
Norway:	1		
Poland :	1		
Cambodia :	1		
Bangladesh :	1		
Turkey:	1		

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

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

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

Number of workers

22 000

Number of suppliers this overview is based on

18

Numbers of workers per supplier (calculated average)

1223

Comments to number of workers

The number above is the total number of workers employed at our manufacturers factories (based on figures from 2018). Not all of them necessarily involved in the production of Bergans products. The number of workers is an estimate based on reported numbe

Key inputs/raw materials and associated geographies

Polyester	China Japan South Korea Taiwan
Polyester (Recycled)	China Taiwan
Polyamide	China Japan South Korea Taiwan
Polyamide (Recycled)	China Japan Taiwan
Wool	Australia South Africa
Recycled Wool	Italy
Cotton (organic)	India Turkey
Down (RDS certified)	China
Down (Recycled)	Hungary
Cellulose (Spinnova, Tencel)	Finland
Elasthane	China Japan Taiwan
Lyocell	China

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

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

Is the company a supplier to the public sector?

No



Goals and progress

Goals and progress for the reporting year

1	
Goal:	More Sustainable Products: We will source and develop more sustainable materials, secure responsible handling of natural resources, animal welfare and innovation in our design processes.
	Some actions from 2021: The latest generation of our Stranda Ski Collection was launched, as our most sustainable ski collection. Stranda is made of 100% recycled fabrics and coloured with solution-dying method saving water and chemicals. New features are mono-materiality and impregnation without PFAS.
Status :	We have intensified our work to prepare for a full phase-out of all PFAS used in our products. We have been part of a research project with the Swedish research institute RISE and several other industry actors as well as academia and NGOs.
	We launched a new version of the latest product from the Collection of Tomorrow, an anorak using the innovative cellulose-based and fully recyclable Spinnova fibre.
2	
Goal :	Sustainable and Fair Value Chain: We will protect the environment, reduce our climate impact and secure human and labour rights throughout our supply chain. We will contribute to a positive development for communities where we operate.
	Some actions from 2021: We have for the first time reported our Scope 3 emissions to STICA (Swedish Textile Initiative on Climate Action), which required an intensified data collection from all our tier 1 suppliers as well as a comprehensive mapping of all fabrics used. We continued our participation in several working groups in the network.
Status :	We started an Energy Efficiency program for two of our Vietnamese suppliers, provided by the International Trade Center.
	We continued using Quizrr as a tool to improve the workers education and awareness for their rights and responsibilities, as well as social dialogue at the workplace. We also started a dialogue on living wage together with Ethical Trade Norway and other Norwegian companies.
	We were still not able to travel to our suppliers in 2021, so we outsourced some of our factory inspections to external partners.
3	

Goal : Sustainable Consumption: Long live the product – we will take the lead on circular economy by collaborating with our customers through services such as repair, rental, reuse and redesign.

Some actions from 2021:

We have continued sharing our experience and learnings from working with circular business models at webinars and conferences, to researchers, students and pupils, to NGOs. politicians and other businesses - in order to create a better understanding of the circular economy and it's challenges & possibilities. In November we participated in an international business event on circular economy in Glasgow, during the Climate Conference COP26.

We have promoted product repair through "Tour de Sy" - our repair tour across the country - and through campaigns such as "Green Friday". We have relaunched our redesign collection and we have continued our collaboration with Esmod Oslo to inspire to more sustainable consumption through redesign in the Re:Dux project. This year we also exported the redesign collaboration to Germany, cooperating with a design student at AMD Hamburg. We have taken big steps in the development of our subscription model on coveralls (Parkdressavtalen) - learning more day by day about the details needed to succeed scaling up.

We continue to participate in valuable networks in our industry, such as The Scandinavian Outdoor Group and NF&TA. In the latter we take part in both Tekstilaksjonen / MoST, Sirkulære Tekstiler and a working group on a possible extended producer responsibility on textiles.

4

Goal: Sustainable Outdoors: We will inspire and enable sustainable and healthy outdoor experiences through partnering with people and communities influenced by our business.

Some actions from 2021:

During the pandemic we have learned to value our nature and outdoor experiences more than ever. We have used our platforms to encourage people to spend their time outdoors and enjoy their nearby hiking areas.

After a challenging first year of the pandemic, our tour operator Bergans Adventures extended their hiking program in Norway. Bergans Adventures has also started a successful cooperation with ADHD Norge, enabling even more people to experience the amazing hiking sites in Norway.

Status :

We have continued our rental cooperation with the DNT cabins, and in 2021 we also launched a new service tofor people visiting the cabins; we developed repair kits to the almost 50 manned DNT cabins, enabling easy repairs for all visitors.

At Arendalsuka WWF and Bergans successfully handed over the more than 10.000 signatures supporting our "Save the Seasons" campaign to the Norwegian Minister of Climate and Environment, Sveinung Rotevatn.

Goal for coming years



More Sustainable Products:

- Design for repair: Secure repairability in our high-quality products, and improve communication on existing features

- Materials: continue securing certified materials and increase share of more sustainable fabrics and trimmings

- Chemical management and microfibers: continue work towards phase-out of PFAS, accelerate research on microfibre with TMC

- Animal Welfare: implement new policy and strengthen internal routines on certification. Increase share of RWS-wool

- Innovation: develop new coverall as a rental-only product, new Spinnova product
- Packaging: participate in Single-Use-Plastic project (EOG), communicate Handelens Miljøfond in a better way

2

More Sustainable and Fair Value Chain:

- Continue to report climate emissions from scope 1, 2 &3. Improve data collection for tier 2 suppliers
- Cooperation within STICA to jointly address suppliers for energy efficiency and renewable energy projects
- Start looking into internal carbon pricing
- Reduce returns in all countries
- Support WWF and the New Deal for Nature
- Secure clear and easily accessible information on our due diligence work in all languages online
- Implement better digital system for supplier mapping both climate and social aspects
- Improve external auditing practices to combine with Bergans factory visits
- Restart social dialogue project with Quizrr post corona
- Implement written policy on remediation and communication
- Participate in living wage working group
- Re-certification Miljløfyrtårn

3

More Sustainable Consumption:

- Share our experience with circular services to create engagement
- Continue participation in networks and public debates to promote better frameworks for circular economy
- Promote repair through activities such as Tour de Sy and other campaigns
- Improve the customer journey on repair in Bergans
- Develop our second-hand sales, investigate online pilots
- Advocate to change "Brukthandelsloven"
- Continue redesign colab with Esmod Oslo
- Promote redesign as a good entrance to repair in school
- Develop and scale up our rental solutions
- Further develop and scale the subscription model on kids coveralls
- Contribute to improve the competence on industry level re-impregnation in Norway
- Participate in research projects regarding circular economy

4

More sustainable outdoors

- Promote and enable outdoor activities for all
- Continue Bergans Adventures' collaboration with ADHD Norge
- Create and promote guidelines for sustainable tourism
- Continue and scale up collaboration with DNT on rental and repair (Repair-kits in cabins)
- Develop cooperation on with Friluftsfrämjandet
- Consider WWF cooperation on nature preserving activities
- Support and promote EOCA preservation projects. Invite Norwegian projects to apply.





Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the company should have strategies and plan, as well as relevant policies* and guidelines for due diligence 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 succeeding, and due diligence should be an integrated element in company operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the company, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed.

1.A Policy* for own business

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

https://www.bergans.com/no/baerekraft/verdikjede

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

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

Bergans considers sustainable business practice as a prerequisite for sustainable development. Thus means that today's generations can meet their needs without compromising the needs of future generations. Bergans' vision is to "lead and inspire towards a sustainable future". Bergans works actively with the UN Sustainable Development Goals. In particular, we see SDG number 8 (decent work and economic growth), 12 (responsible consumption and production), 13 (climate action) and 17 (partnership for the goals) as essential to our work. https://www.bergans.com/en/sustainability/value-chain

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

In 2019 we updated our former "Sourcing and Production policy" from 2015. We have further developed this document, and adjusted with support from our advisors in Ethical Trade Norway. The name of the policy is "Policy for Sustainable Business Practice". This was approved by the existing board in 2020 and published on our website together with our Code of Conduct. As Bergans was sold to Sport Holding in 2021 we seek to get a new approval of this policy by the new board in the near future.

1.B Organisation and internal communication

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

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

Our CEO, our management team and our board are the main responsible for sustainability in our company. We have two Sustainability officers in Bergans, working as expert advisors on sustainability. In 2020 we have also hired a Project leader for Circular services in a full-time position. We regard sustainability as a way of working rather than as a specific function. Therefore, we work to integrate different sustainability issues in relevant departments and create ownership. It is our goal that all co-workers contribute and feel part of our sustainability agenda.

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

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

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

Internal communication and collaboration are key in order to engage and involve all co-workers in our sustainability agenda. All new co-workers receive an hour of sustainability training, including both environmental and social issues, run by the Sustainability department. We regularly inform everyone about new sustainability topics and actions through our internal social media platform and during common co-worker meetings (mostly digital in 2020, 2021).

The sustainability co-workers regularly have meetings with all departments and are involved in all projects concerning sustainability development. We strive to have a cross-functional way of working in all our sustainability efforts. For example, working with improvements in our supply chain often involves both the Purchase department, the Product department, the Sustainability officers and occasionally the Management team.

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

To ensure sufficient knowledge and competence on due diligence work in our supply chain, our Sustainability officers have a good and close dialogue with Ethical Trade Norway. They participate in meetings and trainings, mostly online in 2021. Bergans also receives relevant and updated information on the development in the EU from the EOG. These learnings are brought forward to relevant co-workers in our organisation. We also stay updated by following relevant newsletters and online channels.

Bergans also participates in several collaborative efforts in both the textile and outdoor industry, such as Bluesign, the Higg Index, Kjemikaliegruppen and Popfree project within research institute RISE, The Swedish Initiative on Climate Action (STICA), the Scandinavian Outdoor Group (SOG), the European Outdoor Group (EOG), Tekstilforum in Virke, Tekstilaksjonen, and of course Etisk Handel. Due diligence and other supply chain issues are now emerging as important collaborative subjects in these fora, in addition to the environmental topics.

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

We evaluate different providers for a digital reporting system for suppliers, as this could help us with an even better overview for all our supply chain partners, and ease the reporting for our partners, as well as providing us with more data to report and communicate, both to customers as well as initiatives like STICA.

1.C. Plans and resources

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

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

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

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

Sustainability is core of our business strategy and therefore a focus topic in all board and management team meetings. The milestones in our business strategy work as guidelines for all operations and the daily work in our company. All reporting and evaluation is made on the basis of our sustainability goals. The Sustainability strategy, supplier documents such as the Code of Conduct and Company policies are

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

1.D Partnerships and collaboration with business associates, such as suppliers

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

All suppliers, both in tier 1 and tier 2, have read and signed our Code of Conduct, and completed our supplier documents such as the Factory Profile and the Sustainability self-assessment Questionnaire. All suppliers signed and completed all these documents in 2018, when the documents were updated. We are now in a process to review the Code of Conduct again, and will send out to all suppliers in 2022, when the document is signed by our new board.

All suppliers must also read, understand, and sign our Restricted Substance List (RSL) and Chemical Compliance document every year. Under normal circumstances all tier 1 suppliers receive regular visits from Bergans, both from our Product and Purchase co-workers and from our Quality- and Compliance officers in Hong Kong. The latter completes sustainability reviews when visiting the factories. During the pandemic we have not been able to travel, so we have cooperated with external parties to carry out the visits and inspections. We have also conducted regular teams meetings with our suppliers.

We have collaborated with our suppliers in China to carry out the Quizrr training, to enhance the importance of social dialogue in the workplace. In 2020 and 2021, this project has proceeded in a slower pace than we planned for.

As a result of being part of Sport Holding, we have a closer dialogue with the retail chains owned by Sport Holding. We are looking into on collaborating on important sustainability issues.

Indicator

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



All new suppliers must read, understand, and sign our Code of Conduct before entering any business relations with Bergans. We are in the process of reviewing and making necessary updates in our Code of Conduct, and in 2022 we will again distribute it to all our suppliers to get their renewed confirmation.

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



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

Due to the politically unstable situation in Myanmar, we have been forced to look into alternative factory locations. Together with our supplier, we have moved part of our production to other facilities in Cambodia and Bangladesh. These facilities have been on-boarded with our usual routines, supplied with external audit reports, since it was not possible to inspect the personally.

Percentage of payments in time to our suppliers



We always pay our suppliers in time, and according to agreements. During the lockdown in Vietnam, we also have also on occasions paid our supplier in advance, before the agreed terms, due to delays at the harbour.

1.E Lessons learned and changes in the reporting period

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

This year we have focused on developing and promoting our circular services, mapping our climate emissions and continued our collaboration on development of new fibres made from Scandinavian wood (Spinnova). We have become more experienced in our new systems for supplier information (PLM) and we have continued our program on social dialogue with our suppliers (Quizrr) - the latter in a lower speed than planned. We have continued to give input on sustainability challenges to politicians, NGOs, researchers and different institutions (mostly regarding circular economy and climate reporting).

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

The political situation in Myanmar after the military coup in February have had huge impacts on our supply chain. We have had close contact with our suppliers, sometimes on a daily basis, to get better understanding of the situation locally and to safeguard the security of our workers at the factories. We had several meetings and a close dialogue with Ethical Trade Norway, our competitors in Norway with suppliers in Myanmar, bigger companies like H&M, as well as the Norwegian People's Aid (Norsk Folkehjelp). We have again experienced that our close and long-term relationship with our suppliers has helped enormously to tackle the challenging situation, both in terms of worker security, payments, logistics, and production. We have provided both our board and our organisation with extensive and updated information both about the situation and what Bergans is doing to tackle it. We are following the development closely going forward in 2022 as well

Our long-term relationships and our resilient value chains has also given us an advantage in tackling the consequences of a pandemic like Covid. We have had a continuous and good dialogue with our suppliers during the year, finding new ways to cooperate on product development and delivery issues through closer communication.

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

We continue to follow and participate in the debate about corporate communication on sustainability. We support actions against false and undocumented claims of sustainability. At the same time, many companies have been reluctant to communicate their sustainability actions, out of fear of being accused of greenwashing. We believe that too strict reactions will reinforce this fear. It is important that companies who work actively and credibly with sustainability, do communicate what they have achieved. This will inspire others to get started or work even harder - and constantly enhance the standard for what consumers can expect from us. It will move us all forward.



Defining the focus for reporting

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

"Identify and assess" is about identifying the company's risk for, and actual negative impact on, people, society and the environment, including in the supply chain and through business relations. As a first step the company should get an overall risk picture, before subsequently prioritising measures where the risk of negative impact is the greatest, i.e. salient issues. How the company is involved in the negative impact is central to determine the right actions to take. Involvement of stakeholders, especially those affected, is central when assessing risks. It is also important to consult with stakeholders when implementing measures to manage the negative impact.

2.A Mapping and prioritising

STATEMENT ON SALIENT ISSUES

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

2.A.1 List the company's prioritised risk of negative impact on people, society and environment.

Salient issue	Related topic	Geography
Workers rights	Freedom of association and collective bargaining Occupational Health and safety Wages Working hours Regular employment	Bangladesh China Cambodia Myanmar/Burm a Turkey Vietnam
Environmental impact	Environment Emission Greenhouse gas emission Energy Water	Global
Chemical management	Occupational Health and safety Environment Emission Water Use of materials	Global
Migrant workers / refugees	Forced labour Wages Working hours Regular employment	China Myanmar/Burm a Turkey
Political crisis	Harsh and inhumane treatment	Myanmar/Burm a

We prioritize workers' rights for our tier1 suppliers (labour intensive), while environmental impact and chemical handling is our focus for tier 2 suppliers (fabric production, less labour intensive). Risks regarding workers' rights

differ somewhat between the different production countries (tier 1). In 2020 and 2021, as a result of Covid, there has been a great risk of workers losing their jobs or being temporarily laid off without compensation or any form of social security, due to local temporary lock-downs.

Due to the politically unstable situation after the military coup in Myanmar early 2021, we have added political crisis as a salient issue for Myanmar. For more information, see below.

DETERMINATION OF SALIENT ISSUES

2.A.2 Describe in short the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period. Describe how information was gathered, what sources were used, and which stakeholders have been involved/consulted. Further, describe whether you have identified areas where information is lacking in order to get an overview, and how you are planning to proceed to collect more information/handle this.

When rating the risks of a supplier we always take into consideration known facts about the country of operations. These facts we collect from Ethical Trade Norway, industry forums (such as the European Outdoor Group) and other relevant information sites, e.g., Fair Wear Foundation (FWF), Transparency International, International Trade Union Confederation (ITUC), US State Department country reports and others. Cooperation in our industry is key. We aim to increase the dialogue with our partners and with our competitors in the textile and outdoor industry, in order to create improvements in our supply chain.

We perform risk assessment on all 1st tier suppliers. We create risk profiles for suppliers, where country of production and type of production is categorized as medium to high risk. We base our priority for our own onsite control on the following criteria: country of production, product type, production volume, scores on previous inspections, quality issues, years of cooperation and general impression of cooperation and communication.

Our PLM system Centric helps us to evaluate our suppliers based on quality standard and business practices, including information from our screening of environmental and social conditions and the results of our own inspections on site. Centric helps us to map our supplier base and to have a good overview on all information, documents, permits etc. We plan to establish an even better digital platform for supply chain reporting, to collect more data from our partners in a more efficient way, for all parties. We will consider different providers of such platforms going forward.

We evaluate our supply chain partner every time new product lines are being developed. For new production sites, we always visit these with our own co-workers from Purchase or Product department.

The main documents we use are the Self-Assessment Questionnaire (SAQ) and the Factory Profile which are based on Ethical Trade Norway's recommendations. Then we factor in information gathered through our own on-site visits and interviews with suppliers, other audit reports, third-party certifications and other external sources of information about the supplier or the area of production.

In 2020 and 2021, during the Covid situation, we have had an even closer dialogue with our supply chain partners about the consequences the pandemic had on the production and workers' situation. We have had continuous communication with our suppliers regarding delivery, logistics and shipments, and reached agreements based on mutual understanding and flexibility.

Indicator

Number of factories visited



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

In 2020 we visited 5 factories in January, before it was recommended to stop travelling. We have continued our good dialogue with our suppliers through other channels, such as teams meetings or Whatsapp chat forums. in 2021 it was not possible for either our HQ team or our team in Hong Kong to visit any factories due to travel restrictions and closed borders. We therefore assigned an independent auditing company to visit some factories to do quality assessments, based on a risk profile. These inspections included 22 visits at 12 different sites of 6 suppliers in 4 different countries (China, Myanmar, Bangladesh and Cambodia. For Vietnam there were no possibility for any factory visit due to very strict covid regulations).

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



We started mapping this question in 2018, when updating our SAQ. We have again reduced the amount of suppliers in 2021. 15 of 18 tier 1 suppliers report that they have a form of working committee present at their factories. We will ensure the quality and accuracy of this information when we plan to send out new SAQs and / or establish a new reporting system.

ADDITIONAL SEVERE IMPACTS

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

We have mapped our climate emissions for all scopes 1, 2 and 3 in 2021. As member of STICA (Swedish Textile Initiative on Climate Action) we have committed to report these emissions annually as well as to initiate actions to reduce our total emissions at least 50 % until 2030. We have already started the dialogue with both other members of STICA as well as some of our suppliers. In 2022 we will specify our roadmap towards reducing our emissions in the supply chain.

Under normal circumstances and when visiting factories during our inspections, we sometimes find small breaches of our requirements for Environmental Health & Safety. These breaches are always reported to our supplier together with an Improvement Action Plan (IAP), which helps our suppliers to implement corrections. We plat to strengthen our supplier mapping with a more systematic and detailed approach and with help from external partners.

3

Management of salient issues

Cease, prevent or mitigate negative impacts

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

3. A Cease, prevent or mitigate

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

Salient issue	Workers rights
Goal :	Secure social dialogue and worker representation at all suppliers
Status :	We continue to have a close cooperation with our suppliers. Factory visits have not been carried out as planned in 2020 and 2021. We continue to work with Quizrr in 2021, but progress has been slow in the past years due to Covid.
Objectives in reporting year :	Continue to use a workers training tool (Quizrr) to better educate workers on their rights and responsibilities in Chinese factories.

Actions :

We have been working with Quizrr since 2019. 3 of our Chinese suppliers have made use of this workers training tool. We had also started mapping issues in Myanmar and had plans to team up with NGOs on the ground in Myanmar, and also starting a dialogue with other brands having factories in the country. The military coup in February forced us to take different actions - see below.

Indicator

Share of workers that have completed a workers rights training program



3 of our Chinese suppliers have made use of the Quizrr tool workers training tool. While one of these suppliers seems to be successfully using the tool, the two others have lower numbers of trained workers. We have to look deeper into the reasons for that. In total 1678 workers have completed 7243 training sessions since we started.

Salient issue	Environmental impact
Goal :	- More sustainable materials and production methods - Measurable environmental improvements in the supply chain - Lead in the transformation to a more circular economy.
Status :	Increased our share of more sustainable materials Started with mapping climate emissions for all scopes Further developing our circular services
Objectives in reporting year :	Mapping and reporting on our climate emission for Scope 1 (offices and transport), Scope 2 (energy use) and Scope 3 (emissions from supply chain)

We have increased the share of recycled materials and have continued to use more sustainable production methods like solution dye. We are testing and developing more sustainable fibers based on wood and have further developed the products of "Collection of Tomorrow" together with Spinnova.

Through our participation in the Swedish Textile Initiative on Climate Action (STICA) we have started to map our climate emissions. In 2021 we have also mapped our emissions for Scope 3 and reported to STICA. We have invested in Guarantees of Origin for renewable energy for all our own units.

We have further developed our own circular services such as rental, subscription, redesign, repair and reuse, and have started to implement a new business model for subscription.

Salient issue	Chemical management
Goal :	Safe chemicals – secure RSL compliance and increase bluesign® approved materials for our products.
Status :	Ongoing, RSL is constantly being updated.
Objectives in reporting year :	Increase share of bluesign approved materials.

Our product development always prioritize to source bluesign approved materials. While still increasing the share of bluesign approved fabrics, our developers have also implemented many more bluesign approved trims (zippers, buckles, buttons, thread etc.). Following the implementation our new Product Lifecycle Management system (PLM), we now have better tools to monitor the progress. In 2021 we have again updated our Restricted Substances List (RSL) in accordance with bluesign. We have been participating in a joint research project by Swedish research organization RISE, to find and test suitable alternatives to PFAS for our textile finishings (Water repellency). This work will be continued in 2022.

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

In 2021, Bergans was made aware that there have been varying reports by various human rights groups and international media regarding allegations of grave human rights abuses in China's Xinjiang province.

Various reports from UN Experts, Government agencies, human rights groups and the media alleged human rights abuses in China with respect to the Uighurs and other minorities in the Xinjiang territory, an area that is closely linked to both apparel and cotton production. Additionally, there had been allegations of Uighurs and other minorities being mass transferred to other regions to work in factories of diverse industries (i.e automobile, textiles and technology) under conditions reportedly suggesting forced labour.

Bergans was approached by our partner WWF, asking us to examine whether our cotton is sourced from the Xinjiang province and to uncover whether our supply chains may have links to other industries facing allegations of forced labour.

As Bergans does not use large amounts of cotton in our products, this natural resource has not been perceived as a big risk area and thereby in the need of extensive due diligence work. This grave situation off course changed our perception, and we rapidly contacted our suppliers to better map the sourcing of our cotton. We also contacted Ethical Trade Norway to get some more information on the situation, and to ask for some guidance. We received a guiding document for companies regarding production and sourcing from Xinjiang.

Our three suppliers producing Bergans' cotton products replied quickly to our request and could reveal that the majority of the organic cotton used in Bergans products is sourced from India. We also received the GOTS certificate on the cotton. A minimal amount of conventional cotton is sourced from Australia. Bergans does not use any production facilities in the Xinjiang province.

We can of course never guarantee that our supply chain is in no way linked to the grave human rights abuse of the Uighurs minority. We must rely on the information we receive from our suppliers at this moment. But we will continue to monitor this question going forward.

Salient issue	Political crisis
Goal :	Secure safety of workers at our suppliers factories in Myanmar
Status :	The political situation in Myanmar after the military coup had huge impacts on people in our supply chain.
Objectives in reporting year :	We started mapping issues in Myanmar and had plans to team up with NGOs on the ground in Myanmar, and also starting a dialogue with other brands having factories in the country. The military coup in February forced us to take different actions.

We monitored the situation very closely together with our suppliers after the coup. At first, we had to secure the safety of all workers as well as the possibility to secure payment of wages also under unstable conditions. We have had close contact with our suppliers to get better understanding of the situation locally and to safeguard the security of workers at the factories.

What have we done:

We had a continuous dialogue with our suppliers, sometimes daily, after the coup. Bergans expressed our support to them in this grave situation, and we also got confirmed that the workers received their wages even though the banking system was down. We emphasized that the safety of the workers was the most important thing. Bergans had a regular dialogue with Ethical Trade Norway and received information about the situation. We also had several meetings with Ethical Trade Norway, Norwegian People's Aid and other companies with production in Myanmar - both Norwegian and foreign. We asked Ethical Trade to contact the Norwegian authorities to give our industry specific advice, without receiving this. The board of Bergans received a longer report on both the situation in the country and how Bergans handled the situation. Internal information was sent out via Workplace, and a more detailed information sheet to all co-workers in contact with customers.

Due to the unstable situation for logistics and transport we were forced to relocate some of our production to other factories outside Myanmar. Our suppliers made use of facilities they had in Cambodia and Bangladesh.

Our approach to the situation:

We were, and are still, deeply concerned about the situation in Myanmar and the military's increasingly violent attacks on its own people, including trade union leaders and labour rights organizations. Our biggest concern, and highest priority, is the safety of the workers in our factories. We therefore followed all advice we received from Ethical Trade, as well as advice from other expertise. The military coup and the violence threaten to reverse the social and economic progress in the country, as well as the relationship between Myanmar and the international community. The coup also created uncertainty that affects production in factories, as well as transport in and out of the country. This could, in addition to the potential for further international sanctions, lead to a reassessment of Myanmar as a stable production partner. Bergans wants to have a common line with other companies, especially other members of Ethical Trade Norway, and will follow the advice from the Norwegian authorities if we receive any, as well as from the EU / UN. Our assessment at the moment is that we do not want to withdraw from the country, and we will complete the orders we have placed. At the same time, due to the disturbances in the country, we will avoid placing new orders as the situation is now and look at possible relocation of some production. This is also the advice we have received from Ethical Trade Norway. The situation is still closely monitored, from day to day, and these assessments may change.

OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

Describe cross-cutting actions to cease, prevent or mitigate negative impacts, including in your supply chain

3.B.1 Reduction of environmental and climate footprint

The global textile industry, of which Bergans is a part, contributes to significant greenhouse gas emissions, and thus to global warming. At the same time, the industry is contributing to an ever-increasing consumption and an increasing amount of waste. We are aware that we are part of the problem, therefore we have a responsibility to be part of the solution. Bergans is actively working to reduce our emissions while offering services that extend the life of our products. To reduce emissions, we are firstly mapping our emissions in scope 1, 2 and 3 - and have committed via STICA to reduce these emissions in line of the Paris agreement. in addition, we are participating in a project regarding energy efficiency with our suppliers in Vietnam. We are also constantly investing in more sustainable quality materials, more sustainable colouring technologies and buying renewable energy. Lastly, we offer services that prolong the life of our products and are at the forefront promoting a more circular economy in Norway.

3.B.2 Adapting own purchasing practices (sourcing)

Our purchase department always has a good and constant dialogue with our suppliers concerning delivery times. It is our suppliers who set the time frame from our order deadlines to their delivery dates, which forms the base of our time planning for a new collection. Since we most often use a rather small part of the total capacity in these factories we have to accept the time frame set by the supplier and are not in a position to push any deadlines.

Due to the pandemic the logistics situation has been challenging in 2021. Our Purchase department has been in a constant dialogue with our vendors to monitor and adjust shipping dates and freight modes, for example if shipments had to be switched from shipping to train transport. As a consequence from these logistic disruptions we now place orders much earlier than we have been used to before. This gives the vendors more room to prepare their production planning in a demanding situation.

Indicator





This is not an issue in our value chain since we always pay our suppliers on time. This is also the case during covid19, and we have not cancelled any orders during this period. Also, we have still payed on time, and even sometimes up front, even in cases where the deliveries have been delayed.

3.B.3 Choice of product design and raw materials

Our goal is to increase the share of more sustainable and/or certified materials and production methods: - bluesign: constantly increasing the share of bluesign approved materials - Solution Dye: we have continued to use SpinDye for our ski collection, saving water, chemicals and energy under the dyeing process

- we have started to phase out the use of PFAS for the water-repellent treatment for many products

- Down: All our virgin down is certified after the Responsible Down Standard (RDS), if it's not recycled down from Re:down

- Wool: We always demand non-mulesing certificates from all our wool suppliers and have started to integrate the Responsible Wool Standard (RWS) in our product line

- We ask for certificates for recycled materials (Global Recycled Standard GRS) and for organic content (Global Organic Textile Standard GOTS)

- We have developed and used a new and wood-based and more sustainably produced fibre (without any hazardous chemicals) together with a Finnish partner (Spinnova)

- We always design our products with high quality standards, made to last and also made for repair. We test all our fabrics in our in-hous lab.

3.B.4 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.

83 % of our suppliers already state that they have some sort of workers committee. For the future we have the ensure the quality and effectiveness of these committees.

We believe in social dialogue as a valuable tool to create an effective dialogue between workers and the factory management (see also Quizrr participation)

3.B.5 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

We have continued to use a workers training tool (Quizrr) to better educate workers on their rights and responsibilities and to increase social dialogue in three of our Chinese factories. 1678 workers have completed 7243 training sessions so far.

3.B.6 Other relevant information concerning the company's work to cease, reduce and handle negative impact on people, society and environment

We have followed the further development of the Sustainable Apparel Coalition's Higg Index and have continued being a licensee in order to have the advantage from the different tools and modules offered within the Higg Index Suite of Tools. Our plan for the future is that most of our suppliers will use the Higg Index facility tools for better assessment of their social and environmental performance. More active work on persuading and convincing our supply chain partners is necessary to fully use all the advantages the system offers and to standardize assessment of environmental and social key performance indicators.

We have participated in a research projects concerning the phase out of PFAS for water-repellent treatments of textiles. We have to intensify our work to find suitable alternatives without using these harmful substances. More work has to be done to communicate the implications of a shift towards PFAS-free treatments, like the need for re-impregnation as well as adjusting the performance expectations of our customers.

4

Track implementation and results

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

4.A. Track and assess

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

Normally, our two employees of our Hong Kong office have frequent contact to all our suppliers and are on regular visits to their factories to conduct quality controls and to monitor the situation regarding workers' rights, environmental and health & safety, to set up improvement action plans after inspections and secure their follow-up together with the supplier. During the pandemic this has proven more difficult. We have continued the dialogue with our suppliers through different digital means. In 2021 we have also made use of the service of external auditing companies, to make visits in several of our production sites, mainly to facilitate quality control of our products.

Our Supply Chain department are the main contacts towards our suppliers and responsible for all business relations including order situation, pricing, production and delivery as well as payment terms.

The employees in our Product Design & Development department have a tight dialogue with our suppliers regarding product development and are under normal circumstances also visiting the factories to assist during the phase of product development and specification and sample production, as well as for quality checks during the initial phase of production.

The sustainability department is responsible for following up Code of Conduct, Factory Profile, Self Assessment Questionnaire, chemical management, audits and projects concerning social dialogue, community involvement and climate action.

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

Our supply chain set-up with a limited number of suppliers, our focus on long-term and close relationship, and the routines we have established through many years form the basis for our risk management in our value chain. Through our due diligence work we have mapped social dialogue and environmental & climate action as our main focus areas. To deal with these we participate in larger projects and initiatives together with industry peers and other stakeholders. Projects like Quizrr enables us to assess the number of workers that is educated in rights and responsibilities. The emissions mapping within STICA gives the possibility to evaluate our progress in terms of a more sustainable textile production. The reporting for Ethical Trade Norway provides us with a very valuable framework for constantly monitoring our due diligence work.



Communicate how impacts are addressed

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

5.A External communication

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

We always strive to have an open and transparent communication around all issues and challenges regarding our social and environmental impact. This also includes our internal information.

We continue the dialogue with different stakeholders such as NGOs, research institutes, organizations and policy makers. We always respond to any inquiries from NGOs or media and actively contact stakeholders when we face new challenges or need further knowledge or insight. This is also the case with the situation in Myanmar - see our detailed description earlier in the report.

We have partnerships with DNT, Friluftsfrämjandet and with the environmental organization WWF, to join us in working towards our future sustainability goals.

5.A.2 Describe how the company communicates publicly about its own work on identifying and managing salient risks

We communicate our sustainability efforts as thoroughly as we can through comprehensive information on our webpage bergans.com.

https://www.bergans.com/no/baerekraft

We also respond rapidly to NGO, authority or media inquiries, and also to our customer's concerns in our stores, via e-mail or through social media.

Our reporting to Ethical Trade Norway is available to the public.

We also strive to be proactive in our actions and communication, rather than reactive. Our vision is to "lead and inspire towards a more sustainable future" - thus we want to be a part of the discussion and contribute to set the agenda.

However, when it comes to the Myanmar situation, we made a conscious decision to not proactively communicate externally, in order to prevent potential negative impacts on the the safety of the workers at our factories.



Provide for or cooperate to ensure remediation when appropriate

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

6.A Remediation

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

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

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

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

Going forward, we see the need to establish more clear routines and written guidelines for remediation and how to handle potential severe breaches that may occur. This is on our action plan for 2022.

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

There has not been any detected issues for remediation in the reporting period. However, the crisis in Myanmar has shown how vulnerable parts of our supply chain are due to the unstable political situation. We have elaborated on this issue earlier in the report.

6.B. Ensure access to grievance mechanisms mechanisms

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

In our Code of Conduct (CoC) we have outlined our requirements for grievance systems at the factories: "The supplier shall have an effective management system for handling complaints to human rights, workers' rights, environmental issues and corruption. The supplier shall ensure that both workers and external partners, such as local communities and civil society organisations, are able to submit complaints."

All of our suppliers have stated, by responding to our extensive Sustainability Assessment Questionnaire (SAQ), that they have a functioning grievance system in place at their factories. There has not been an issue that we are aware of where remediation has been necessary.

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