



Report on

# Responsible Business Conduct 2021

for BLÅBÆR Production AS

□

# SUSTAINABLE DEVELOPMENT 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.

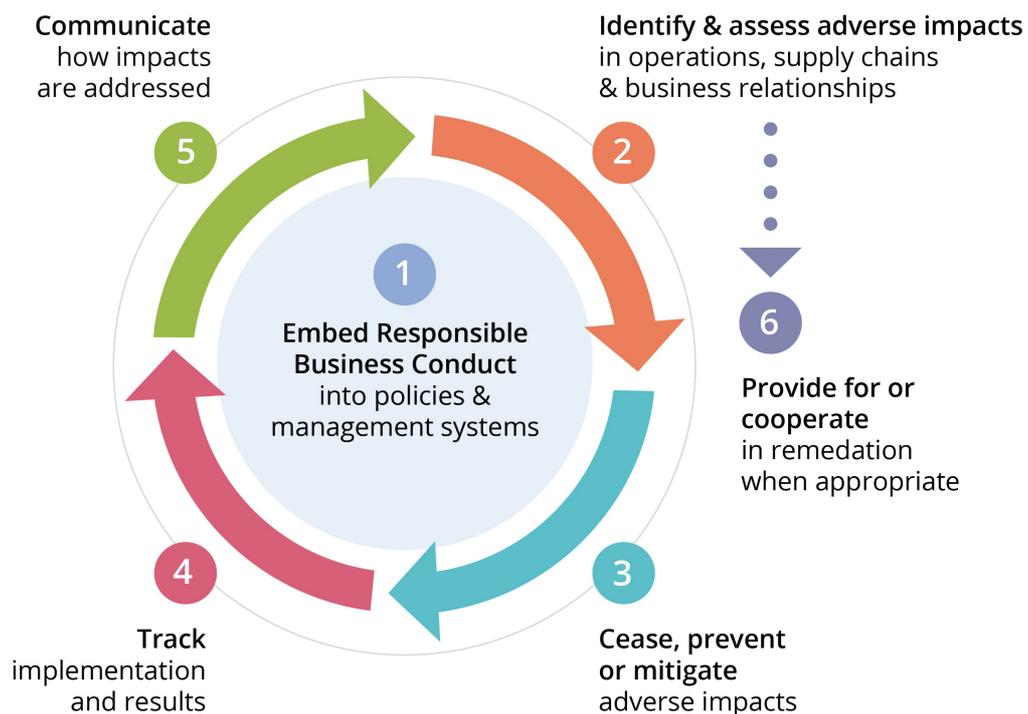
The reporting template is designed for the company to show transparency in their work on responsible and sustainable business practice, as described in the UN Guiding Principles (UNGPs) and the OECD Guidelines for Multinational enterprises. The report should show how the company works with due diligence, 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

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

BLÅBÆR Production seek to take active part in sustainable production and to protect our environment - today and in the future. We aim purposefully for a fully integrated social responsibility in all our activities and complete supply chain.

We work targeted in all processes in our supply chain to achieve less footprints. This is the framework for our working process – from early ideas, through all stages, and until final product.

2021 is Blåbær Production`s first reporting year. We have though worked with Ethical Trade Norway for many years through our long-term business relation with BH Nordic. Due to our engagement with brand Reflex, some parts in our report are duplicated into the report of BH Nordic.

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

Rolf-Erik Lund  
*CEO*

# Company information and business context

## Key company information

### Company name

BLÅBÆR Production AS

---

### Head office address

Østre Nesttunvegen 12

---

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

Reflex; Design, development, production, logistics and CSR

---

### Description of company structure

BLÅBÆR Production is a small company with three employees working in close collaboration on daily basis. Even though each of us have individual expertise within design, sustainability, logistics and purchase, we are all involved in each project to ensure that all processes will have a holistic approach.

---

### Turnover in reporting year (NOK)

7 078 000

---

### Number of employees

3

---

### Major changes to the company since last reporting period

---

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

Isabel Fredriksen

---

### Email for contact person for the report

isabel@blaber.no

---

## Supply chain information

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

We are working on a wide range of products and styles, but with a limited number of commercial suppliers and manufacturers. Approximately 83% of our business is direct with manufacturers/producers. Approximately 17% is business through agents.

All designs, development and sourcing is done from our office in Bergen.

---

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

16

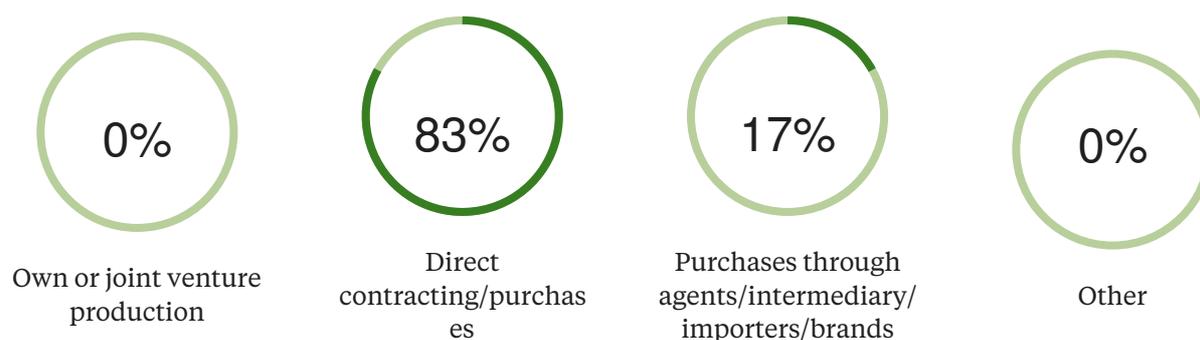
---

### Comments

We had totally 16 suppliers of whom we had commercial relations in 2021.

---

### Type of purchasing/ suppliers relationships



---

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



In 2021 we had in total 31 production units for all styles. E.g. our main supplier of outer wear uses 4 different production units.

---

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

#### Number of workers

3 480

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

31

---

**Antall arbeidere per produsent**

113

---

**Comments to number of workers**

3480 workers from total 31 production units in first tier, and covers 100% of our 16 commercial suppliers/relations.

---

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

|                       |                       |
|-----------------------|-----------------------|
| <b>Wool</b>           | China<br>South Africa |
| <b>Cotton</b>         | India                 |
| <b>Polyester</b>      | China                 |
| <b>Viscose</b>        | China                 |
| <b>Natural rubber</b> | Vietnam               |

---

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

---

## Goals and progress

### Process goals and progress for the reporting year

1

**Goal :**

During 2020 we decided to apply individual membership at Ethical Trade Norway. We had been engaged and involved with this work for many years through our customer BH Nordic, and saw this step as a natural development in progress and work with sustainable and responsible business.

**Status :**

Even though we have been working with Ethical Trade Norway for many years through our customer, we were not official and formal members until February 2021. Our due diligence work and focus on sustainable business practice has therefore been integrated in our company for a long time. We do however think that it is valuable and important for us to work with Ethical Trade on separate levels to optimize our work process and target settings.

2

**Goal :**

We will continue to engage stakeholders to approach our salient risks such as discrimination, environment, worker representation and general labour conditions. In addition to stakeholders that we have already involved with, we will engage with organizations like IDSN, Amnesty International & Unicef to continue our on-going risk mapping.

**Status :**

We have during 2021 engaged with additional stakeholders like IDSN, Amnesty International & Chemsec to continue our on-going risk mapping.

3

**Goal :**

Based on minimum criteria that were set during 2020 we will follow up progress at all our suppliers. We will aim at raising the level of all suppliers based on the minimum criteria.

**Status :**

We have integrated a set of minimum criteria for suppliers. These are sent out as separate communication to suppliers, but are also included when placing purchase orders. We must admit that some parts have been challenged by the current situation during 2021. This is mainly due to lack of direct communication and physical meetings with suppliers.

4

**Goal :**

We will continue to increase the amount of recycled materials. During 2021 we will particularly focus on outerwear, rainwear & swim wear.

**Status :**

We have increased the amount of recycled materials. During 2021 we have particularly focused on outerwear, rainwear & swim wear.

5

**Goal :**

Make sure that 100% of our first tier of our suppliers have signed and follow our chemical agreement.

**Status :**

We have achieved our goal that 100% of our first-tier of our suppliers have signed and followed our chemical agreement.

6

**Goal :**

We will continue to update our risk mapping. We will investigate new salient risks to focus on as a result of COVID19. Examples are increased risk of corruption, child labour and the threat of workers' rights.

**Status :**

We have continued to update our risk mapping and investigated new salient risks. It has however been difficult to detect concrete additional risks in our supply chain during this period. As a result of COVID19 we have seen delays and limitations in audits & certification processes due to lock-downs and local restrictions.

We have attended a wide range of webinars, forums, workshops and training sessions related to responsible business practice and due diligence work.

---

**Goal for coming years**

1

Goals for 2022:

- Increase knowledge & competence by attending wide range of webinars related to our business and potential risks.
- Increased control of our supply chain including pension, insurance, grievance mechanisms and worker representation status.
- Address further main salient issues:
  - Rubber production in Vietnam
  - Cotton from China
  - Climate risks & environmental issues
  - Discrimination in India
  - Labour conditions in general
- We will continue to engage stakeholders to approach our salient risks such as discrimination, environment, worker representation and general labour conditions. In addition to stakeholders that we have already involved, we will engage with organizations like Norwegian Uyghur Committee, Fair Rubber Association & Sustainable Natural Rubber Initiative to continue our on-going risk mapping.
- We will continue to increase the amount of recycled materials.
- Achieve complete overview of our second-tier supply chain.
- Improve traceability of raw materials and main components in our products.
- We will continue to investigate new salient risks as a result of COVID19. Examples are increased risk of corruption, child labour and the threat of workers' rights.



# 1

## 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 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 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. Transparency about commitments the company has for itself, challenges they are facing, and how these are managed is fundamental



## 1.A Policy\* for own business

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

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

---

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

BLÅBÆR production's policy for sustainable business practice is posted on our web page: <https://blaber.no/eng/social-responsibility/>. Our overall commitment to social responsibility are also stated on the same page. Our policy and COC are also communicated to business partners and stakeholders as these are rooted in our daily practice and work.

---

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

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

---

## 1.B Organisation and internal communication

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

Even though we are a small company with three employees only, our daily work includes a wide range of tasks and processes. Due diligence is integrated in all processes from ideas, planning, design, product development, purchasing practice and logistics. All three employees are involved and responsible in performing due diligence work. During 2021 we have however decided to nominate one employee to attend the main responsibility of sustainable business practice and ensure resources are available.

---

### 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?

In a small company with three employees, the majority of our daily tasks and work will not be clearly divided or separated between each employee. Most of the time we work as one team and our tasks will often overlap and interfere. Due to this sustainable business practice and due diligence work is an important part of all employees' responsibilities and job descriptions. Our policy for sustainable business practice is an important precondition which must be accepted by all employees and is also attached to the employment contract. Sustainable business is also a daily topic at our workplace and is essential throughout our working process & development as these values set the foundation for our work.

---

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

Our employees are regularly attending webinars, workshops and forums related to responsible business practice and due diligence work. Our membership and collaboration with Ethical Trade Norway, The Chemicals Group RISE & Chemsec is our main foundation and supplier of resources, courses and discussion forums, however we are also actively seeking information from other stakeholders. Some examples of organisations with useful information and tools are Amnesty International, IDSN & The Norwegian Environment Agency.

---

## 1.C. Plans and resources

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

Our commitments are anchored through our memberships in Ethical Trade Norway and Chemicals Group RISE as well as BLÅBÆR's core company values. Our CSR goals focus on both internal practices as well as external involving suppliers and business partners.

We have set short-term and long-term goals to have a clear & defined framework for our sustainability practice.

---

### **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 the board?**

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

---

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

### 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?

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

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

All suppliers are expected to make systematic and targeted efforts in order to comply with BLÅBÆR Productions' Code of Conduct (CoC). The content and framework in our CoC are discussed frequently with our suppliers during meetings, negotiations and during daily work and communication. As part of implementing our values in supply chain, we also expect our first-tier suppliers to communicate and share our CoC to any sub-suppliers related to our products. Updated chemical regulations which applies to the textile industry, are sent to all suppliers 1-2times/year. Revised regulations and/or limit values are discussed during meetings and continuous dialogue. Furthermore, we support each supplier with customized instructions and chemical guidance with relevance for their production. Collecting environmental certificates, checking validity and updates, and follow-up, is done continuously.

---

### Indicator

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



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

---

#### Chemical contract



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



## 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?

The uncertainty which dominated 2020 did unfortunately stay with us during 2021. The pandemic set limitations for the entire world which meant restrictions, local variations and delays in production and shipments.

At the same time, we have seen increased requirements regarding sustainability, environment and demands for a greener textile industry. This applies both new laws and guidelines from governments, as well as more focus from consumers and other stakeholders regarding transparency.

Some after-effects from lock-downs and restrictions have also been seen in the shipping market. Lack of containers and limited work force in many central ports have made our work with logistic extra challenging the past year. This has resulted in delays from supplier/port due to limited equipment and space, as well as increased shipment time on sea. Shipping rates have also increased drastically and rapidly. This situation has furthermore lead to additional workload for our suppliers and the entire supply chain.

The pandemic has also led to challenges regarding follow-up on certifications and audits. In some cases our suppliers have been waiting for renewal process and audit dates for way longer than usual. Long renewal- and approval-processes has been challenging to us and to our suppliers as it has limited predictability and caused some uncertainties which could have been avoided.

During autumn 2021 several suppliers and partners in China informed us that the government would cut access to electric energy for an un-defined period. Many factories were closed down for several days a week and some factories were only allowed to keep production during night-time. These energy restrictions may however be a preview of efforts that will be more frequent in the future. These are among the changes we must prepare for, and which must be taken into consideration in our planning of upcoming purchasing and production.

Other experiences from the past year:

- Requests and demands for sustainable materials (e.g. recycled yarns, certified organic yarns, RWS wool, and so on) did increase rapidly – pre-dominantly in the second half of 2020. This development has continued during 2021.
- Internal recognition and valuation of sustainable materials & garments is now more integrated and fully accepted as essential parts of our standard. We accept higher costs to gain lower risks and are willing to increase RRP to keep margins at decent level.
- We have experienced an improved willingness to change and adopt in our value chain. Our experience is that this is continuing to develop, both among our suppliers, but also among our competitors and other actors in the textile industry.
- The pandemic situation is an example of an unpredictable event that affects goals, plans and risk assessment. We must expect new challenges that can't be predicted when Covid19 is over. Willingness to change and adopt will probably be increasingly important traits in the future. This is an important lesson from 2020 that must be brought further in our future purchasing practice and strategies.



## 2

### 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  |
|--|--|--|
| Child labour & forced labour in Natural Rubber & Cotton industries | Forced labour<br>Child labour<br>Discrimination<br>Harsh and inhumane treatment<br>Marginalized populations                        | China<br>India<br>Vietnam                            |
| Labour conditions  | Harsh and inhumane treatment<br>Occupational Health and safety<br>Wages<br>Working hours   | China<br>India<br>South Korea<br>Sri Lanka<br>Turkey |
| Discrimination   | Forced labour<br>Discrimination<br>Harsh and inhumane treatment<br>Working hours<br>Regular employment<br>Marginalized populations | China<br>India<br>South Korea<br>Sri Lanka<br>Turkey |
| Water Usage Cotton industry in India                               | Environment<br>Water   | India  |
| Hazard chemical use India & China                                  | Occupational Health and safety<br>Environment<br>Waste   | China<br>India                                       |

|                      |  |  |
|----------------------|--|--|
| Environmental issues | Environment<br>Emission<br>Greenhouse gas emission<br>Energy<br>Waste<br>Water<br>Use of materials | China<br>India<br>South Korea<br>Sri Lanka<br>Turkey |
| Corruption           | Corruption   | China<br>India<br>South Korea<br>Sri Lanka<br>Turkey |

Salient issues in above table shows our priority focus areas, with regards to risk assessment, to follow up closely and do our efforts to improve situation. Above risks are listed in random order as we consider all to be important in different ways. We will target each point in best manner and try to improve issues where we have a greater influence level.

## 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.**

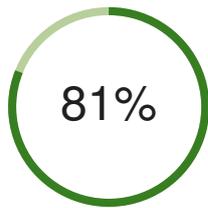
Reflex/Blåbær's risk assessments are determined based on

- Risk mapping by country & product
- Webinars, online events & various resources from NGO's, NPO's & labour unions such as reports, statistics, official indexes, official regulations & guidelines from authorities.
- 3rd party audits, certifications and self-assessment reports.
- Video meetings and discussions with suppliers
- Our experience

We seldom bring in new manufacturers to our supply chain. We always seek to form long term relations with suppliers and business partners who share our values. It is also important that our suppliers focus on offering decent working conditions and environmental practices in the supply chain. Through long term relations, and limited number of suppliers, we have achieved full overview in first tier. This is a significant and ongoing project which now include second tier and a full transparent supply chain as our long-term goal.

## Indicator

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



2021

---

## 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.

#### • Animal Welfare & Wool fibres/farming:

Animal welfare is an ongoing focus area and has also been prioritized during 2021. It is clearly stated in our COC that measures should be taken to minimize any negative impact on the welfare of livestock and working animals. We do not accept wool from sheep who have been subject to mulesing, and require our suppliers to follow same practice. During 2021 we have launched RWS certified yarn and products to secure stricter standards and requirements throughout the supply chain. This engagement will be prioritized further in 2022. During 2021 we have engaged with the organisation the “Norwegian Animal Protection Alliance” to discuss how certifications and other measures can be evaluated to communicate animal welfare to consumers in best possible way. Our common goal is to increase transparency for wool garments and make sure that consumers can be confident that brands take action to minimize negative impact and secure animal welfare in their supply chain. This dialogue will continue in the coming year.

In this case as in other cases, we believe that dialogue between NGO’s and companies from the textile industry is constructive for sharing knowledge and experience. While organizations like NAPA have important perspectives and information related to their area of expertise, it is also a fact that buyers, product developers & designers have experiences & insights that is essential to combine with these. We hope that this kind of dialogue will be even more constructive in the future to make sure that consumers get credible and transparent information related to products put to the Norwegian market.

#### • Worker Representation:

Worker Representation/Workers Committee has been challenging to follow-up and/or control in a year without any opportunities to visit suppliers or meet them face to face. We have however stressed this issue via email and video meetings and will continue to do so. Information and guidelines on how to establish have been sent out.

#### • Insurances:

We still experience that some factories do not have a satisfactory insurance for all their employees. What is repeated is that a certain proportion of workers are not covered. Laws and regulations regarding insurance for employees in China are complicated and vary from rural areas to country side. We will continue to follow this up during 2022 to ensure our workers have insurance coverage according to current legislation.

#### • Transparency:

In 2021 transparency has been an integrated part of collaboration with most suppliers. Some have though expressed their frustration regarding this extra work as 2021 has already been too busy and demanding given the situation. One supplier is still less willing to provide full transparency regarding their sub-suppliers. In addition, we have discovered that parts of our supply chain is more complex and challenging than we first assumed.

#### • Fire Security:

Fire security is still among our ongoing focus areas. Several suppliers continue sharing photos and training videos from fire drills at factories. Some factories do internal training and drilling, while others contact local fire department for competition of drill and professional competence.

- Overtime:

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

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

- Subcontracting:

As explained above, subcontracting and overtime is somehow related. Subcontracting is common in China, and not necessarily a problem. Problem occurs when subcontracting is unauthorized, and brand owner/buyer loose overview and transparency. Unauthorized subcontracting is not allowed in our supply chain. We consider this issue as a small risk today due to our very early order placements and clear policy. This is though a topic which require on-going monitoring and follow-up.

A woman in a blue surgical cap and gown is shown in profile, looking down, in a brightly lit operating room. Other staff in similar attire are visible in the background, working at a surgical table. The scene is clean and professional, with overhead surgical lights and metal railings.

### 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 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 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

|                             |   |
|-----------------------------|---|
| <p><b>Salient issue</b></p> | <p><b>Child labour &amp; forced labour in Natural Rubber &amp; Cotton industries</b></p>  |
| <p><b>Goal :</b></p>        | <p>No occurrence of child labour or forced labour in in our supply chain. Demand of transparency in our supply chain. Accept and understanding of our Coc from first tier supplier in order to gain improved impact.</p>  |
| <p><b>Status :</b></p>      | <p>Harvesting of natural rubber in Vietnam has been associated with both child labour and forced labour according to wide range of reliable sources. Rubber tappers responsible for extracting liquid rubber from trees receive low wages and must meet high quotas, which require assistance from family members - including children. Plantation workers may experience long working hours, physically demanding and hazardous work, wage deductions, penalties for failing to meet quotas of number of rubber trees tapped, and substandard living conditions. Supply chain of natural rubber is complex and have limited visibility.</p> <p>Our supply chain mapping for India shows that there is no child labour or forced labour in our supply chain. Information is supported by certificated cotton. We do though recognize that overview here is difficult and complex due to limited opportunity to monitor all operations back to cotton farming. Furthermore, we know that cotton production and supply chain in garment industry in India is challenging in regard to risk assessment. According to the U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour, cotton may be produced with forced and child labour in India. Audits by FWF found signs of both forced labour and child labour of audited factories in Tirupur surroundings.</p> <p>As far as we have possibility to control, neither child labour or forced labour is existent in our supply chain in China. This includes all manufacturers, authorized sub-contractors, suppliers and sub-suppliers. Our information is based on discussions with factories, studies of audit reports, certificates made by 3rd party companies and supported by information from NGO`s. However, we realize that state-sponsored forced labour is intensifying under the government`s mass detention and political indoctrination campaign against Muslim minorities in the Xinjiang Uighur Autonomous Region, and it is possible that hundreds of thousands of workers are being subjected to forced labour as part of this effort.</p> |

**Objectives in reporting year :**

Improve mapping of supply chain related to rubber boot manufacturers  
Increase our presence and audits further down in our supply chain. Seek advice at local NGO`s. Work to collect trustable data.  
Increase GOTS-certified cotton in supply chain.

**Actions :**

Natural rubber industry: Initial discussions with our first-tier manufacturer in China about salient risks and implementation of common understanding. BSCI audits in first tier. We do though acknowledge limited attention has been paid to labour conditions connected to natural rubber. It's time for change.

Cotton industry: All our cotton used for final production in India is GOTS certified. We have also increased GOTS certification, and taken steps for future increase as well, for Indian cotton used in production on Sri Lanka. GOTS certified cotton has also been introduced in Chinese production during 2021. We aim to continue this progress during next few years. Our suppliers in India and Sri Lanka provide SA8000 and SEDEX-certificates. Suppliers in China provide frequent BSCI audit reports.

|                             |  |
|-----------------------------|--|
| <p><b>Salient issue</b></p> | <p><b>Labour conditions</b></p>  |
| <p><b>Goal :</b></p>        | <p>Improve labour conditions in our supply chain. Ensure safe &amp; good working environments, workers' rights, decent wages, insurances and equal payment.</p>  |
| <p><b>Status :</b></p>      | <p>Labour conditions is a salient issue concerning all countries in our supply chain. We have however experienced that this needs to be addressed in various ways for each supplier, depending on country, culture and resources. Labour rights will also be related to other salient issues such as discrimination. This is particularly the case for India &amp; China. Lack of trade unions in our production countries is among the greatest risk regarding labour rights.</p> <p>China: According to ITUC Global Rights Index, the ruling party in China does not respect basic rights. Migrants have to endure forced and excessive overtime, and poor and unsafe working conditions. The apparel and footwear industry are among sectors with high chance of forced labour. Freedom of association and collective bargaining is often violated in the textile sector. Official minimum wage is below living wage. Excessive overtime.</p> <p>Migrant workers from the poor rural areas make up majority of workforce in garment industry, and they have no/less rights for health care and social security. China has not signed the ILO-conventions on forming unions and collective negotiations (C87 and C98) &amp; freedom of association is not protected by law. Living wage may differ from areas. Decent living wage must include all basic needs.</p> <p>India: Governments and employers tend to restrict the rights of workers through violations of collective bargaining and the right to strike, as well as exclude workers from unions. The lack of trade unions severely compromises industrial relations across India. In India, only a few social security measures are implemented for the large group of laborers in the informal sector.</p> |

**Objectives in reporting year :**

Labor conditions are among several topics that needs to be addressed in various ways for each supplier. A common framework is however used as foundation to set minimum criteria for Reflex-suppliers, and labor conditions are among our important focus areas. We have followed up on audit results and addressed relevant issues regarding labour conditions. General trends this year have been overtime and missing insurances. We have requested action plans for improvements for suppliers that had deviations on audit reports. Follow-up on these action plans will continue during 2022. Although audits and questionnaires show that many of our suppliers already have integrated some sort of system of worker representation, we acknowledge the need to move forward. We have provided suppliers resources and guidelines to move forward with long term systems that will benefit management as well as workers at the factory units we work with.

One of the main challenges in dialogue with suppliers, particularly those from China, is to convince them that engaging with time and resources for these kinds of systems will actually benefit their business. We do however see a development and increased willingness to improve. We think that raising awareness has had some positive effects and hope to see this develop further.

**Actions :**

We have discussed risks and concerns directly with our suppliers and sub-suppliers. We have stressed the importance of well-functional workers association, workers representatives and the right to collective bargaining.

We will continue this work during 2022 to make sure that all suppliers follow up their action plans for improvement and remediation in cases with deviations.



#### Actions :

During 2021 we have attended a number of webinars related to discrimination. We have discussed the situation in India with IDSN (International Dalit Solidarity Network) to help us deal with them and make preventive measures. This is an on-going project that will continue in the coming years. Similarly, we want to involve with Amnesty International and Norwegian Uyghur Committee to have their advice and guidance on how to approach the issues in China. Chinese Governments' use of censorship will make this work complicated which is why we must apply a wider range of efforts.

|                                       |   |
|---------------------------------------|---|
| <b>Salient issue</b>                  | <b>Water Usage Cotton industry in India</b>   |
| <b>Goal :</b>                         | Take concrete actions to reduce water usage in our supply chain.  |
| <b>Status :</b>                       | <p>India's cotton cultivation is the most water-intensive in the world. Water footprint of cotton fabric does however vary from place to place. WRI has ranked future water stress by country and their model show that cotton producing countries like India will suffer from severe water stress in near future. This means that businesses, farms and communities will be more vulnerable to scarcity than they are today. Furthermore, India is among the countries that scores lowest in EPI's ranking of sustainable development. This indicates that there is a need for greater attention to sustainability requirements such as for example water quality and water usage.</p> |
| <b>Objectives in reporting year :</b> | <p>Majority of our cotton has been GOTS-certified, and we have proceeded with these certifications. Our dyeing of cotton happens in closed loop system to reduce water usage and wastewater in best possible way. We have eliminated printing techniques that does not comply with standards. All our prints are GOTS-certified.</p>  |

**Actions :**

Explain our goals with suppliers and source knowledge at NGO`s how to reduce water usage for our cotton garments. Increase internal knowledge of water usage in our production chain is the first but essential step. Choosing GOTS-certified cotton will require processing units to demonstrate environment management, including wastewater treatment.

|                                       |   |
|---------------------------------------|---|
| <b>Salient issue</b>                  | <b>Hazard chemical use India &amp; China</b>  |
| <b>Goal :</b>                         | No occurrence of prohibited chemicals in our products. Occurrence of chemicals with restrictions must be within current and updated limit values. Reduce and avoid use of hazard chemicals in our supply chain.   |
| <b>Status :</b>                       | <p>It is estimated that textile dyeing and treatment contribute up to 20% of global industrial water pollution. Hazard chemicals will in end be released to soil and ground water, fresh water sources or at sea, and put millions of people at risks.</p> <p>All our suppliers have been given instructions and guidance for chemical use customized for their production. Furthermore 100% of our suppliers have accepted and signed our Chemical Agreement.</p>  |
| <b>Objectives in reporting year :</b> | Continue supporting our suppliers with updated international legislations and restrictions for chemical use. All info is in accordance with and covers most common standards worldwide. In addition suppliers are given free of charge Chemical Guidance with testing standards and substitutes to replace hazard chemicals etc. Info shared with our suppliers are not only valuable for our own safety of goods, but also makes our suppliers able to make correct decisions in regard to chemicals for their entire production and also other customers. |

**Actions :**

Updated chemical guidance has been sent out to all suppliers two times during 2021. Random samples and tests have been made on selected materials at nominated suppliers.

|                                       |  |
|---------------------------------------|--|
| <b>Salient issue</b>                  | <b>Environmental issues</b>  |
| <b>Goal :</b>                         | Make sure environmental concern is integrated in our entire work process and supply chain. Proceed with concrete actions to improve.   |
| <b>Status :</b>                       | There are many environmental issues in the countries we produce in. Air pollution, water pollution, garbage, domestically prohibited goods and pollution of the natural environment are all challenges linked to the textile industry. These mentioned issues are top priorities in pushing for a more sustainable industry and to meet the targets of the UN Sustainable Development Goals.   |
| <b>Objectives in reporting year :</b> | We have discussed the need for sustainable progress more frequently with our suppliers. We have increased the amount of certified products which set requirements for the entire production chain. We have increased the amount of recycled materials. We have requested concrete plans from suppliers with their targets for local sustainable progress. We have engaged our shipping agent to gain insight in our GHG emissions from domestic and international freight. |

**Actions :**

Encourage our suppliers to invest in renewable energy, such as for example solar cells. Reduce waste in general, and ensure that waste are handled and collected for recycling. Increase the amount of certified products, recycled materials and raw materials which will give our products a longer life-cycle. Encourage and push our suppliers to make concrete and measurable goals for sustainable progress. In the coming years we also need to combine this work with climate risk reporting. Physical risks, transition risks & liability risks must be taken into consideration in our planning and risk analysis.

|                             |  |
|-----------------------------|--|
| <p><b>Salient issue</b></p> | <p><b>Corruption</b></p>   |
| <p><b>Goal :</b></p>        | <p>No corruption in our supply chain. Transparent and sustainable business practice. Continue to contribute and develop a culture of integrity among our suppliers to avoid corruption in all forms. Doing business with integrity is right way to build long term relation. Reducing corruption is at the heart of the Sustainable Development Goals.</p>   |
| <p><b>Status :</b></p>      | <p>Corruption was one of our main salient issues set for 2020. Corruption in our supply chain is not tolerated at any level and this is clearly stated in our CoC. We acknowledged that the risk of corruption is high when dealing with countries that score poorly when it comes to transparency. According to the Corruption Perceptions Index, the corruption score of India from 2021 was 40. The score has remained the same since 2020. This means that the risk of corruption in India is high, and according to the CPI report the case of India is particularly worrying.</p> <p>As examples which interferes us, audits are commissioned and paid for by the manufacturers in order to achieve better results/score.</p> <p>Furthermore, GOTS have uncovered fraud that “ordinary” cotton has been certified as GOTS certified cotton.</p> <p>According to the Corruption Perceptions Index, the corruption score of China from 2021 was 45. The score has increased from 42 in 2020. This means that the risk of corruption in China is still high. During 2021 we have increased the amount of recycled materials in our products from China. Similar to the case of GOTS in India, there is a risk of fraud and corruption related to certified recycled materials.</p> <p>Increased transparency is among the most effective efforts to avoid corruption which is why we continue to gain as much info as possible about all suppliers and their supply chain. According to «Transparency International» Covid19 is not just a health and economic crisis, but also a corruption crisis. Democratic backslide and undermining health care system is among the great challenges in countries with high level of corruption risk. We have set corruption as one of our most important salient risks as we believe this can be a major obstacle for improvement on other areas. We acknowledge that this issue will be particularly challenging to solve but consider this to have top priority in order to approach improved socially responsible business.</p> |

**Objectives in reporting year :**

Have a clear policy that corruption at any level is not accepted in our business model. Require transaction certificates for GOTS-certified products, recycled materials etc and continue checking validity. Require transparency and communicate our non-tolerance for corruption in our supply chain. Continue focusing on transparency.

**Actions :**

Through questionnaires that was sent out to map our purchasing practice, we have received feedback from suppliers that have been informative and useful for further mapping and planning. One important finding was how our suppliers experience demands and requests from other European and Scandinavian buyers. Some suppliers emphasized that demands from Scandinavian customers were in general more extensive than customers from other parts of the world, especially when it comes to transparency. They did however point out that request for openness as well as focus on sustainable business practice is increasing, which we see as an indicator of positive change within our industry. Hopefully, an increased focus on the sustainable development goals will increase amount of transparency which further can decrease the risk of corruption. We hope to see this development continuing despite the limitations entailed by the pandemic situation.

## 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

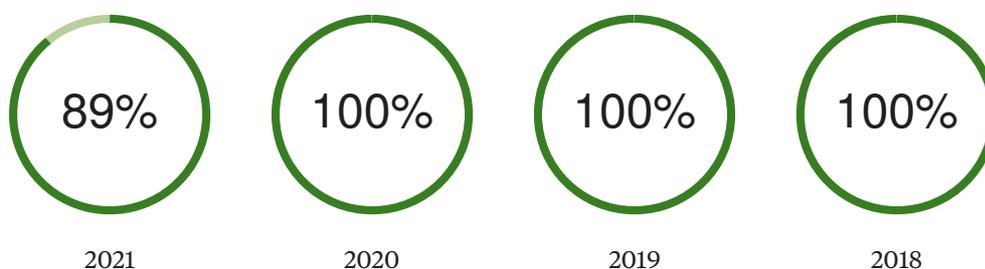
- Almost 100% sea & rail transport. Delivery by truck measured less than 1% in 2021. Air transport has not been used for bulk deliveries during recent year.
- Chemical guidance and regulations are frequently sent out to suppliers. We have chosen to set strict limit values for chemicals. Random tests by third party are required.
- Increased use of recycled materials: polyester made from PET bottles and polyamide from post-consumer textiles.
- Increased use of certified products and materials.

Due to lack of vessel space (and containers), several shipments during summer 2021 were made by train, approx. 10% of total. GHG emissions from train are difficult to calculate as the electric power often comes from non-renewable sources. GHG emissions from sea transport are calculated since 2021. Transport by sea is still our preferred choice.

We experienced a smaller bulk delivery by air during summer 2020 as one of our main suppliers had delay due to pandemic related issues. Supplier decided to ship balance by air. Both quantity & value of this shipment represented less than 0,1% of totals.

### Indicator

#### Sea transport



#### Rail transport



### Air transport



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

During 2021 we have seen the need to proceed with our focus on early order placement and predictable purchasing practice. Due to challenges mentioned previously related to shipping market, local lock-downs, delays in certification processes etc, advanced processes has been even more essential to get goods on time.

We have strived for an ongoing communication with our suppliers to enable good planning and forecasting. To secure on-time delivery, responsible production & fair business we have focused on equal partnership & fair payment terms in our purchasing practice.

We have during 2021 reduced the payment time, but major challenges in logistic market have however decreased the lead time after all.

### Indicator

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

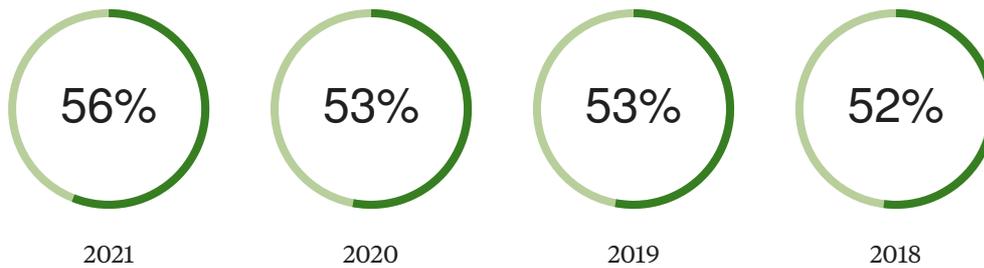


### 3.B.3 Choice of product design and raw materials

During 2021 we have proceeded with our work to increase the amount of certified products and materials. Oekotex, GOTS, OCS & RDS (Responsible Down Standard) have been carried on from previous year, while RWS (Responsible Wool Standard) & GRS (Global Recycled Standards) are new certifications that have been added this year. We believe that certified materials & products are important tools to set concrete requirements and standards for our production as well as increasing the transparency in our supply chain.

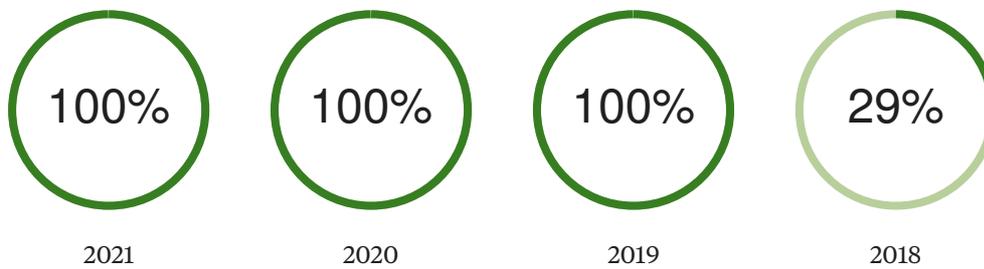
### Indicator

### Percentage of REFLEX-items certified with OEKOTEX 100



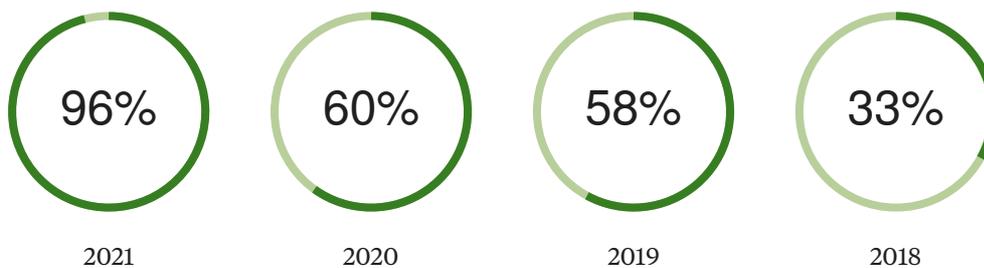
Percentage of OEKOTEX 100 labelled and certified items by number out of total qty Reflex garments. Several of our suppliers who are not OEKOTEX certified, use only OEKOTEX certified materials according to our specifications. A total of 71% (by number) of 2021 garments are either certified garments, or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

### Percentage down garments with RDS certified down



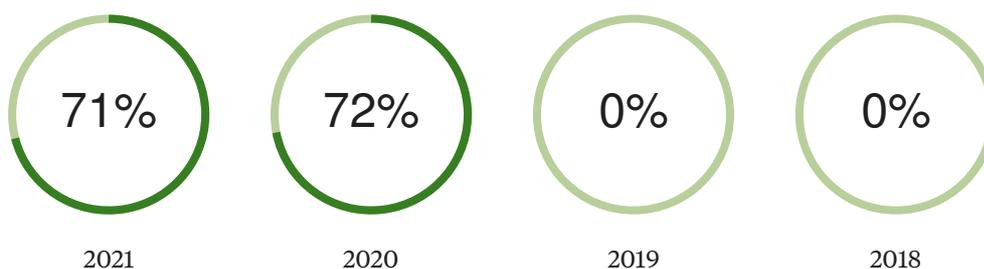
Percentage garments which content RDS down by number out of total qty containing down.

### Percentage cotton garments made with certified organic cotton



Percentage cotton garments with composition of minimum 50% cotton made by certified Organic cotton by number. Applies GOTS and OCS 100 certification.

### Percentage of fleece garments (by number) made of recycled polyester



Percentage of fleece garments made by 100% recycled polyester. Percentage rate slightly decreased, but expected to increase again in 2022.

**Share of garments (by number) of synthetic materials made by at least 70% certified recycled materials.**



Garments included are Technical outerwear, PU rainwear, Mittens/gloves, fleece midlayer, polyester baselayer and swim wear. Certified recycled polyester from PET bottles and recycled polyamide from post-consumer garments.

**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.**

As in 2020, 2021 was a year where travels and factory visits were not possible due to Covid 19. Many routines that are usually followed up by business travels to our production areas had to be replaced with video-meetings & mail dialogue. Follow-up regarding worker representation was one of these points which have been challenging without physical meetings and visits. Resources from Ethical Trade Norway have been useful to give suppliers concrete guidelines and advice for setting up and further develop a system for worker representation.

For our main suppliers, we have had an ongoing communication to encourage concrete measures and progress with worker representation. For our production units in China and India, our main challenge is to build understanding for rights that we take for granted with our Western point of view.

**Indicator**

**Percentage of suppliers with worker representation other than trade union**



Percentage of Workers committee`s have increased slightly during 2021, but less than we aimed for. We will continue this work in 2022.

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

Chemical guidance through our membership in Kemikaliegruppen RISE is sent out to all suppliers two times a

year. General discussions and follow-up on these topics, and advice on how to substitute chemicals to be in compliance with future restrictions at early stage is done on-going.

Resources, guidelines, and close follow-up to support our suppliers to establish functional Worker Representation/Workers' Committee have been sent out and will be followed up within next few months. We constantly communicate with suppliers to focus on sustainability and certifications in order to achieve improved competitiveness. Step by step we see improvements on how they take action, make suggestions and share valuable information to help us all improve.

---

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

Business travels:

As mentioned previously in our report, business travels abroad were not possible during 2021. Some domestic travels were however doable in periods with less restrictions and limited Covid-breakouts. Our business travels during 2021 have therefore been conducted exclusively by train & bus. In general, we strive to always travel as environmentally friendly as possible and will proceed with this, even when the world opens for more travel activity. The pandemic situation has in other words given us experiences and insights regarding travel policy as well as travel frequency. Digital alternatives have also proven to be good for some purposes.

Samples:

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

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

Collaboration:

During 2021 we initiated a collaboration with Dale Oen Academy which is an ideal organization that works to give young people from 15-20 years a good alternative to traditional schooling & education. This project focus on opportunities to explore, learn and grow in a safe social community through a wide range of experiences and challenges. The Academy has received recognition for their important tribute to young people's mental & physical health. The foundation's focus on responsibility, collaboration & transparency are in line with our own company values and are important principles for this partnership.

We wanted to engage these young people in the process of idea development, design & production to give them insights & experiences from the textile industry. The group worked as a team to develop a functional, yet visual appealing product that fulfilled a need they saw in their active daily life. Quality, functionality and responsible sourcing were focus areas that we wanted to highlight in this project. The active-wear wool-sock was the final product which was delivered to the academy in the end of 2021.



## 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**

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

- Already in early design- and development process we plan and specify use of same materials and colors in a wide range of products to reduce negative impact from dyeing and other production processes.
- We have introduced a small range of products from left-over stock fabrics and will continue to do so in coming seasons. This will reduce fabric waste and hopefully will show both manufacturers and consumers the importance of utilization.
- Supplier overview: In the past year, information and updates from suppliers have been collected and organized internally in documents and folders for each supplier. As the amount of certifications, audits have increased notably, we have seen the need for a better and organized tool. We want to improve our system to gain a better overview of our suppliers, and have set a goal that during 2022 we want to apply for membership in AMFORI or similar.
- Factory visits: During 2020 & 2021 factory visits have not been possible due to travel restrictions and lock-downs. The previous years, supplier visits have however been conducted 2 times a year. These visits have been important to follow up suppliers and sub-suppliers to make sure that they all comply with our standards for responsible business practice, environment and social compliance. At factory visits, current status is always on the agenda and a supplier visit form is used as a foundation for checking all essential requirements for factory conditions.
- In Blåbær Production we have a set of routines for tracking and implementing results of our sustainability work. These routines are integrated in our daily working processes and in our purchasing routines. The regularly follow-up is done by head of sustainability, while our CEO has the overall responsibility and authority of decision-making. Overall decisions on sustainability work are also discussed in regular meetings including all 3 employees.
- Mapping of our sustainable practice: A questionnaire for mapping our sustainable practice has been sent to our suppliers to detect on which areas we can improve. Our goal with these questionnaires was to gain as good insight as possible to make concrete improvements. This may also help us understand how our suppliers are affected by our work and collaboration. During 2022 we will send out a new and updated questionnaire to collect more needed info from our suppliers. This will among other include further mapping of worker representation and grievance mechanism.

The effects of implemented improvements can be difficult to measure at many levels. We aim for more insight and better tools for future GHG emissions and water usage from our production. In 2022 we will also continue the sustainable development and aim for more circular products.

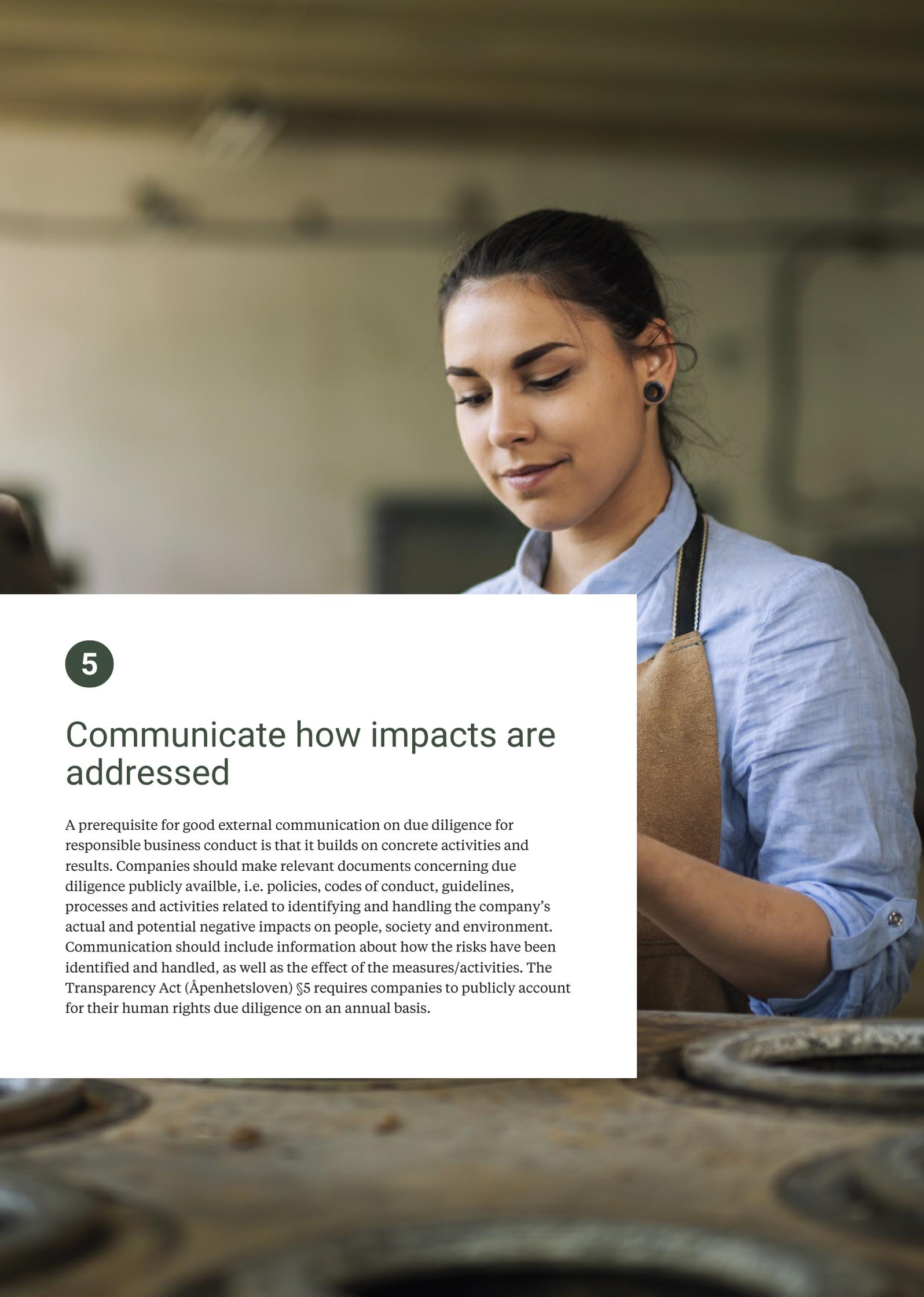
#### **4.A.2 Describe how the company ensures that measures taken to identify, prevent and reduce negative impact actually work**

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

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

More or less all of our suppliers have increased understanding related to our demand regarding openness and transparency. Only one of our suppliers is less willing to provide full transparency regarding sub-suppliers despite our requirements. However, we think that our continuous emphasizing is important to make a positive impact in our business. When discussing these issues with other western stakeholders, most of them state that they experience the same. This is an ongoing focus and important for our company's responsibility.

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



## 5

# 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 available, 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

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

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

---

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

We communicate how we work with due diligence and responsible business on our web site [www.blaber.no](http://www.blaber.no).

Our annual report on Ethical Trade will in the coming years work as an important document to give partners and stakeholders insight in our work, progress & challenges related to our salient risks. This report will also be publicly available at our web page.

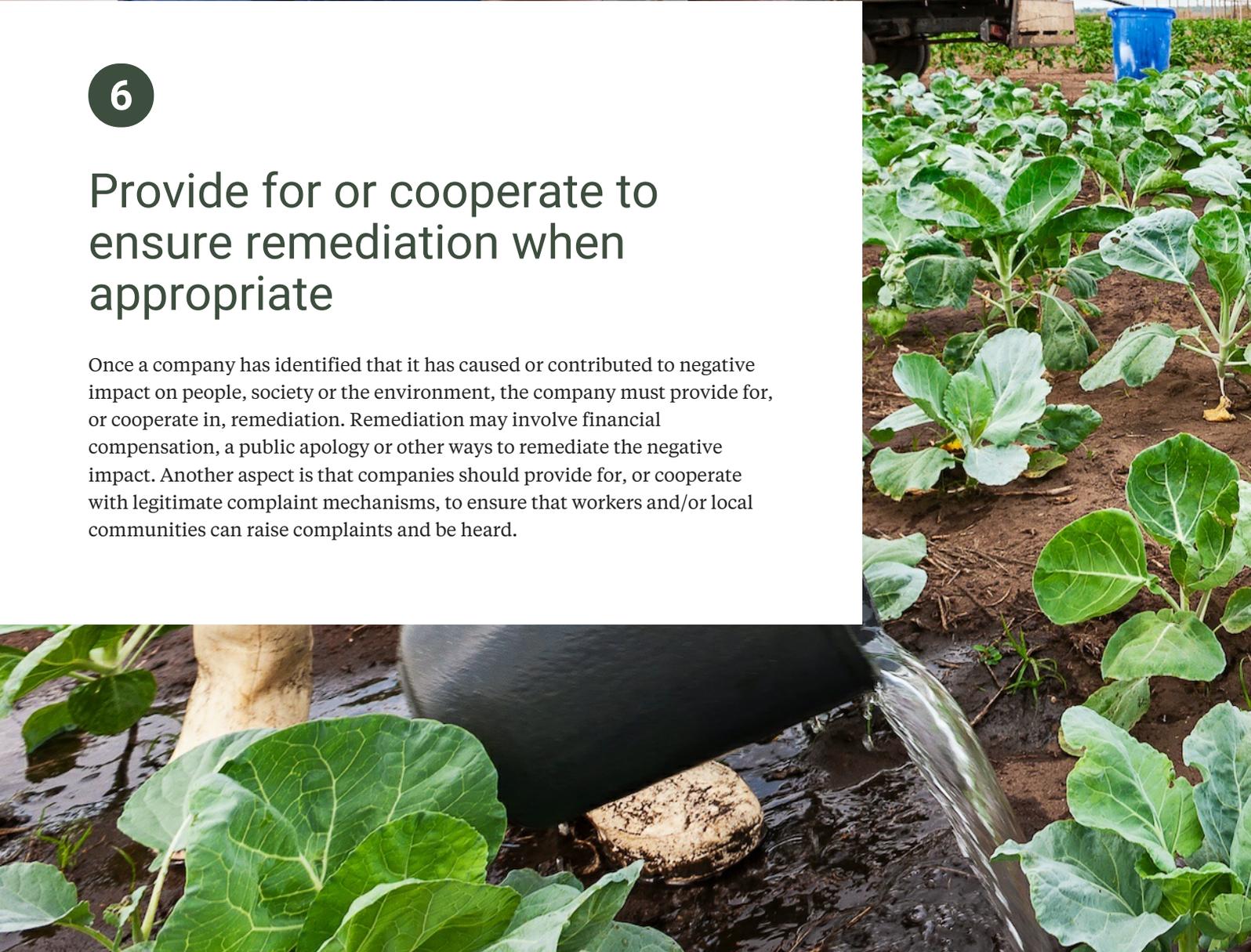
We are also participating in discussions, webinars and workshops with other actors in the industry to share experiences and advice. We believe that these kinds of collaborations and sharing of experience is important to reach common goals as well as push each other in the right direction.



6

## 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

The OECD's due diligence guidance for responsible business conduct from 2018 sets the foundation for our remediation policy. In cases where our activities will have negative impacts on people, society and the environment, we shall stop the activity and work targeted to remediate. This is clearly stated in our policy which is publicly available at our webpage: <https://blaber.no/wp-content/uploads/2022/02/Policy-Bla%CC%8Aaer-production-07.02.22.pdf>

---

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

During 2021 we did not discover or find any cases that required any form for remediation. Through audit reports we have however detected excessive overtime at some of our production units in China. After further investigation we have learned that overtime in these cases were always voluntary from workers' side and was paid with double wage. The fact that many workers want overtime to achieve higher wages is an ongoing issue in China. During 2022 we will continue to emphasize the negative effect of overtime to our suppliers. Striving for living wage for all workers and employees will also be a related effort that may affect occurrence of overtime.

During 2021 we also discovered that some factories in China were missing insurances for some workers. In these cases we have required immediate action and have collected insurance documents/receipts to make sure our suppliers have made corrective actions. As the system and legislation for insurances in China is somewhat complicated, we will look further into this in the coming year.

Overtime, insurances and living wage will be among our focus areas during 2022, and we believe that these issues are highly related to each other. By working more systematically to collect information and statistics from our suppliers we will also reduce the risk of any cases that will need remediation.

---

## 6.B. Ensure access to grievance mechanisms 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**

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

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

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

Contact details:

BLÅBÆR Production AS

Isabel Fredriksen

[isabel@blaber.no](mailto:isabel@blaber.no)