



Report on

Responsible Business Conduct 2021

for ITP Holding 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 (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

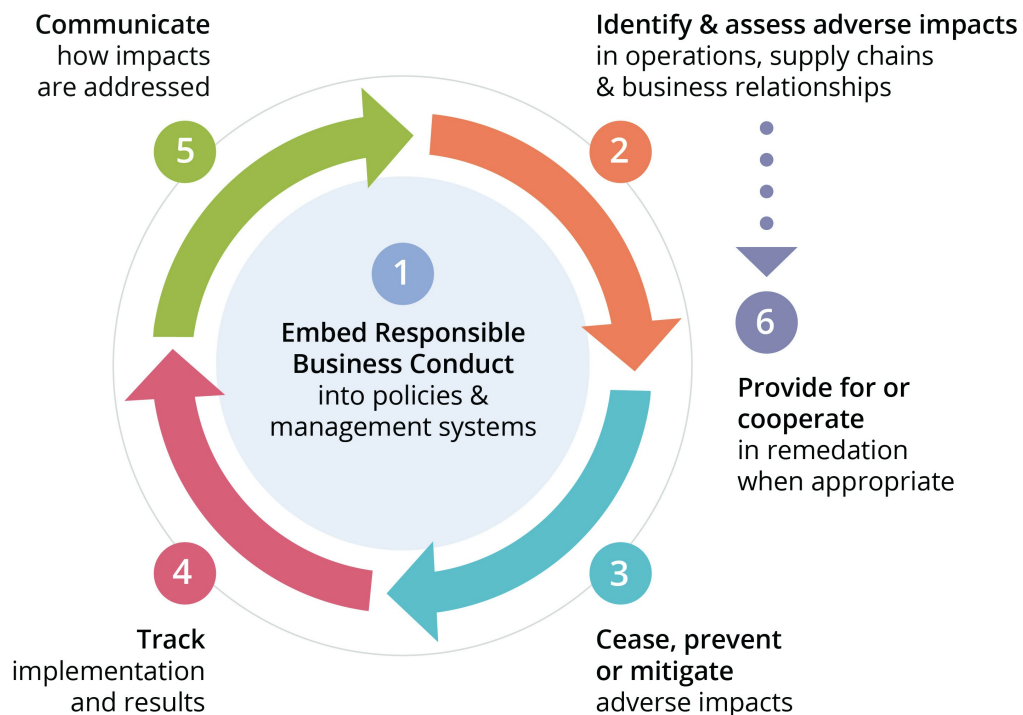
Executive Director

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

ITP Group is working with some of the largest companies in the world within our three strategic focus areas – Bathroom, Furniture and Handicraft. Ethical Trade is not only a commitment from our owners and members of our Board, but also a demand from our strategic partnership customers and suppliers.

Without our long-term focus on our dedicated ethical trade platform and our membership of Ethical Trade Norway, it would not have been possible to become a strategic partner for these global companies.

With new potential strategic partnership customers it is now the first area they would like to discuss “how do you manage ethical trade”. To be a member of Ethical Trade Norway is of course critical in this dialog, as well as, having customers to visit our certified factories in China and Vietnam.

Our cooperation is not only with our customers dedicated ethical trade teams, but also with the customers 3rd party auditing companies, as ethical trade has never had more focus as during these years – customers fully understand the risk and act accordingly.

We work in accordance with all applicable national laws and regulations.

Our Code of Conduct is based on Ethical Trade Norway’s principles and all our suppliers comply with these.

John Aamodt

CEO

Company information and business context

Key company information

Company name

ITP Holding AS

Head office address

Bygdøy allè 4, N-0257 Oslo, Norway

Main brands, products and services offered by the company

ITP Holding AS is an investment platform - Developing own brands and 'Manufacturing as a Service' for retailers and brands worldwide

Description of company structure

ITP Holding AS is an Norwegian group.

100% owner of our subsidiary companies in Norway, Sweden, Denmark, P.R. China, Vietnam.

We have the following global offices:

Norge: Oslo, Bergen and Haugesund

Danmark: Copenhagen

Sverige: Stockholm

USA/Canada: Montreal

Kina: Shanghai, Ningbo, Qingdao, Suzhou, Hangzhou, Chaozhou and Zhangjiagang

Vietnam: Ho Chi Minh City

Indien: New Delhi

Turnover in reporting year (NOK)

317 000 000

Number of employees

95

Major changes to the company since last reporting period

Established office in New Delhi, India

Contact person for the report (name and title)

John Aamodt, CEO

Email for contact person for the report

john.aamodt@itpgroup.dk

Supply chain information

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

Subsidiaries manage strategic production of components and finished products for own and customers brands

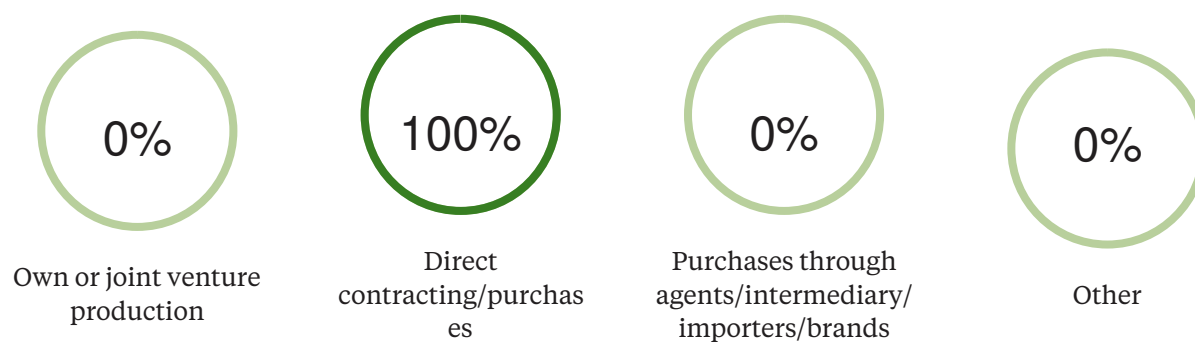
Number of suppliers with which the company had commercial relations in the reporting year

65

Comments

N/A

Approximate ratio by sourcing options



List of first tier suppliers (producers) by country



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

5 000

Number of suppliers this overview is based on

65

Numbers of workers per supplier (calculated average)

77

Comments to number of workers

Lower due to Corona / Lack of staff

Key inputs/raw materials and associated geographies

Wood	Vietnam
Aluminum	China Vietnam
Steel	China Vietnam
Glass	China
Acrylic	China
Polyester	China
Wool	China

Is the company a supplier to the public sector?

No

Goals and progress

Goals and progress for the reporting year

1

Goal : Further promote and support Freedom of Association (FoA), Collective Bargaining (CB) and Worker Representation (WR) within our supply chain.

Status : Documents and introductions has sent to our suppliers.

2

Goal : Encourage our suppliers to set up the union and observe the development.

Status : 10% done in 2021, expecting 15% to be done in 2022 and 20% to be done in 2023.

Goal for coming years

1

Encourage more suppliers to set up the union.

2

Complete E-training to all ITP employees.

3

Provide E-training to suppliers.



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 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://itp-group.org/about/>

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

ITP and our suppliers are following the policy for responsible business conduct. All our suppliers have to accept and sign a commitment of this policy. We sent ITP posters to the suppliers with our code of conduct list and contact information for public to read.

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

This is developed by our compliance team and anchored by the company management. The board also has approved these documents.

1.B Organisation and internal communication

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

We have compliance manger who is responsible from the management and directly report to CEO. We have ethical trade specialists, ISO quality management and chemical specialist in the compliance team. They are working with different department managers for the day-to-day business. We have this professional team to supervise and support each department.

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?

Regular meetings and continues dialogues are provided to all employees. Job description and work tasks are reviewed annually.

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

We have a training program for all new employees to complete. And all ITP staffs will recieve updated ethical trade and ISO training annually. In order to make sure they understand the training, they have to pass an exam afterwards.

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?

ITP Group works actively with the Sustainable Development Goals. We are developing more recycled materials. We developed 100% recycle polyester yarn together with our supplier factory in 2021. In 2022, we will strength our R&D and develop more environment friendly materials and promote to more customers.

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?

Our CEO presented this project during the board meeting in 2021. The board has accepted this project as a long-term development.

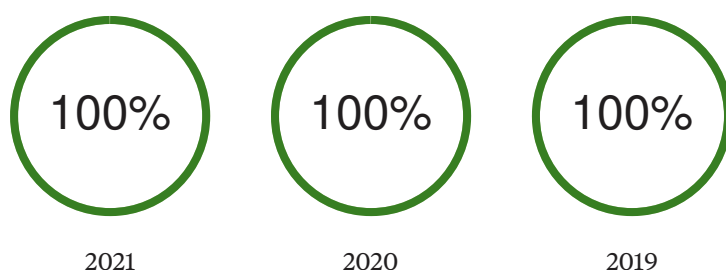
1.D Partnerships and collaboration with business associates, such as suppliers

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?

We use policy as a commitment for all our suppliers to follow , including new suppliers. ITP will not accept the negative impacts for people, society or the environment from our suppliers.

Indicator

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



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?

Due to COV19, we are lack of workers. We need to strength on the communication with factory managers and workers. To be more approachable and supportive, understand their problem and difficulties. In this case, we have a frequent discussions about the production lead-time and keep the customers updated.

A man with a slight smile, wearing a white hairnet and a dark blue long-sleeved shirt, is looking towards the camera. He is in a factory or industrial setting, with blurred machinery and structures in the background. The lighting is soft, highlighting his face.

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
Safe and healthy work environment	Environment	China Vietnam
Decent work and working conditions	Occupational Health and safety	China Vietnam
Children's rights, minority ethnic groups and forced labour	Forced labour Discrimination Harsh and inhumane treatment Marginalized populations	China Vietnam

All these salient issues are important for us to map and measure during our daily business. ITP would not accept any salient issues which have negative impact on people, society and environment.

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.

We conduct on site audits with all 65 suppliers. They have to pass certain level in our system. Some important suppliers have to take a third party audit, like BV, GIS, DNV, SGS, CU and GRS. During the audits, we will conduct some one to one interviews with the workers/ stakeholders to understand and make sure there is no risk towards people. Our future task in 2022 and 2023 is looking into raw materials in our supply chain, to improve or avoid the risk on society and the environment.

Indicator

Percentage of mapped suppliers where workers' views have been part of the mapping



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 didn't find any other issues should be handled.

A woman in a blue surgical cap and gown, looking down, in a hospital setting. The background is blurred, showing other people in similar attire and bright overhead lights.

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

Salient issue	Safe and healthy work environment
Goal :	Health and safety
Status :	Ongoing
Objectives in reporting year :	Reduce the risk of negative impact on workers by providing Personal Protective Equipment---PPE. Record and check if the workers are practically correct.
Actions :	
Factory audits by interview workers and factory records.	

Salient issue	Decent work and working conditions
Goal :	Decent work and working conditions
Status :	Ongoing
Objectives in reporting year :	Make sure the factory follow the Social Security System.

Actions :

Follow the Social Security System to safeguard labors' decent work by factory audits.

Salient issue	Children's rights, minority ethnic groups and forced labour
Goal :	No child labor or forced labor in our supplier factory. Monitor the minority ethnic groups in the supplier factory.
Status :	Ongoing
Objectives in reporting year :	No child or forced labor are allowed in our supplier factory. Monitor the minority ethnic groups in the supplier factory if there is any.

Actions :

Commitment from the factory owner. Interview and check records during the factory audits.

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

Further optimization of the production processes / Recycling projects / Reuse material. We are working on two projects: 1. The polishing project. In order to reduce the risk of our factory workers and pollution of dust. We have proposed polishing robots to replace manpower. We started this project with many research in 2015. We visited some robot factories in 2016. After the discussion with our suppliers, we decide to support them to buy these polishing robots in 2017. This is to protect the workers from practical risk and the separated workshop is designed to reduce the dust pollution and help with the dust recycling. Now we have two suppliers are using these robots. The 70% of polishing is done by the robots. We are looking for the further development of this project. We have a three years plan to increase our efficiency of the polishing from 70% to 80%. 2. The 100% recycle polyester yarn. This 100% recycle polyester yarn is made of PET bottles. It's important for us to reduce the waste which will lead a healthy way of living and will make our lifestyle "Greener". We developed this yarn together with our supplier factory in 2021. We are promoting this project to all our customers worldwide. At the same time, we are providing training courses for people to know about the recycle yarn and knitting. In 2022, we will strength our R&D and develop more environment friendly projects.

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

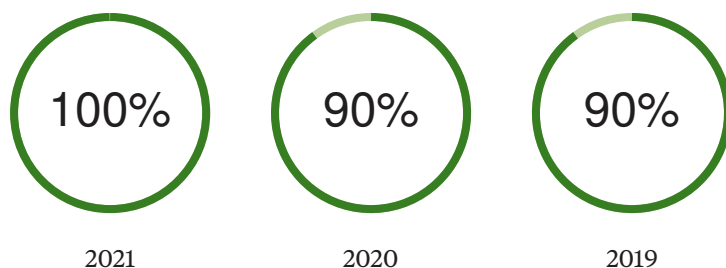
Our client management team is strengthening the dialog with our customers to improve the purchasing practices. Department managers and on site QCs are making sure the supplier factory is under the correct working condition.

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

This is based on customer's request. Further strengthening the dialog with our customers to optimize choices around product design and raw material. Support our supplier factory to get GRS, ISO14001, OEKO-TEX, REACH and EN71-3 certificates. Encourage our R&D department to develop sustainable products.

Indicator

Percentage of purchased products associated with risk that have sustainability certification

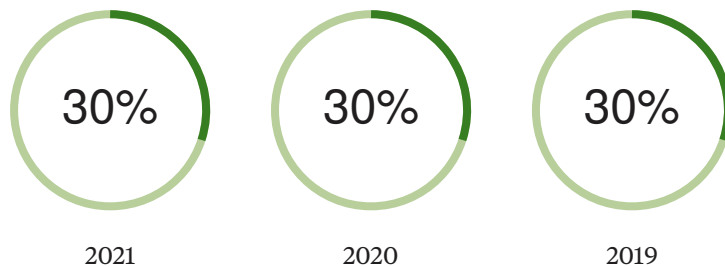


3.B.4 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation.

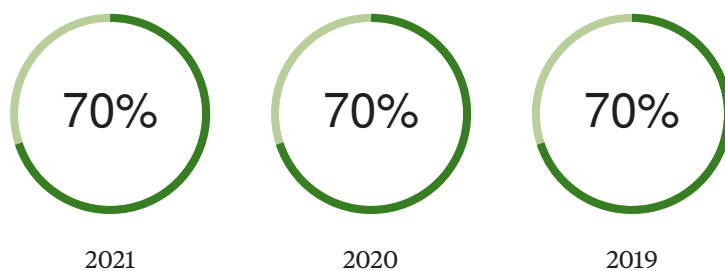
Some of the factories have established labor unions with our support. There is a social compliance poster in the factory for the workers to understand their rights and contact us if they have any issues. Related training are provided to workers.

Indicator

Percentage of suppliers with well-functioning trade unions



Percentage of suppliers with worker representation other than trade union

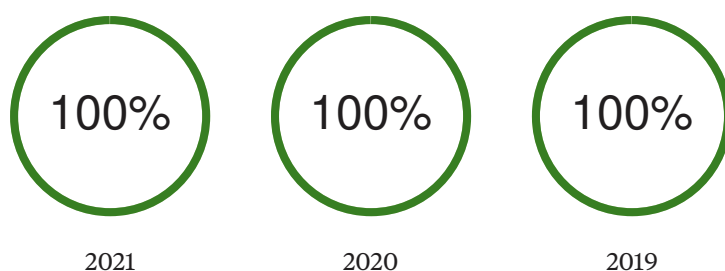


3.B.5 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

ITP GROUP and our suppliers have committed to working actively with due diligence for responsible business conduct. Regular training will be provided to the factories by our compliance team.

Indicator

Percentage of suppliers where training connected to ethical trade is carried out



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

people, society and environment

N/A



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

All information is monitored in our Ethical trade software - responsibility: Compliance team. Collaborate with the third party which are delegated by our customer. For instance, BV and SGS.

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

All information is monitored in our Ethical trade software - responsibility: Compliance team. Regular review and conduct a Corrective Action Plan (CAP) to prevent and reduce negative impact.

A woman with dark hair tied back, wearing a light blue button-down shirt and a brown leather apron, is looking down at a surface, possibly a stove or a workbench. The background is blurred, showing what appears to be a kitchen or industrial setting.

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

On site factory meetings and factory audits. Interview workers about the factory compliance environment, provide training for them to understand the rights and leave the contact information to report if there is any negative impact.

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

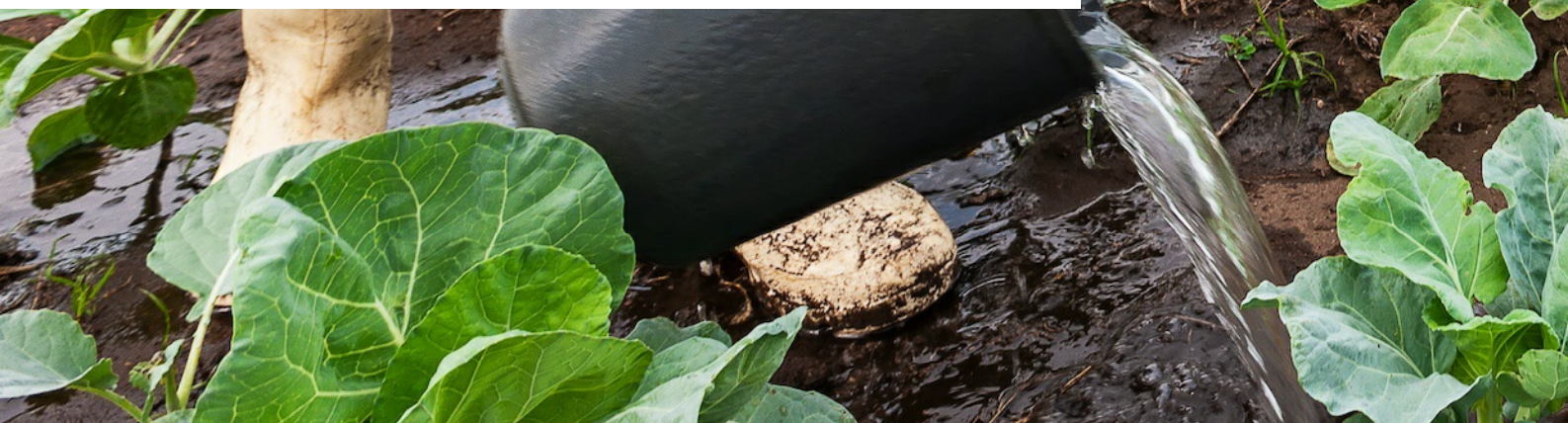
ITP has attached the information and reports on the company system "MIS". Our customers will receive a link to visit the reports. Homepage will link to 'ENH report 2021' when it is finalized.



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

If our activities are found to cause or contribute to negative impact on people, society or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing remedy.

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

N/A

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

We follow the national laws and regulations regarding insurance coverage. The workers and local communities can contact us directly and get supports.

Contact details:

ITP Holding AS
John Aamodt, CEO
john.aamodt@itpgroup.dk