



Report on

# Responsible Business Conduct 2021

for Pierre Robert Group



# 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.

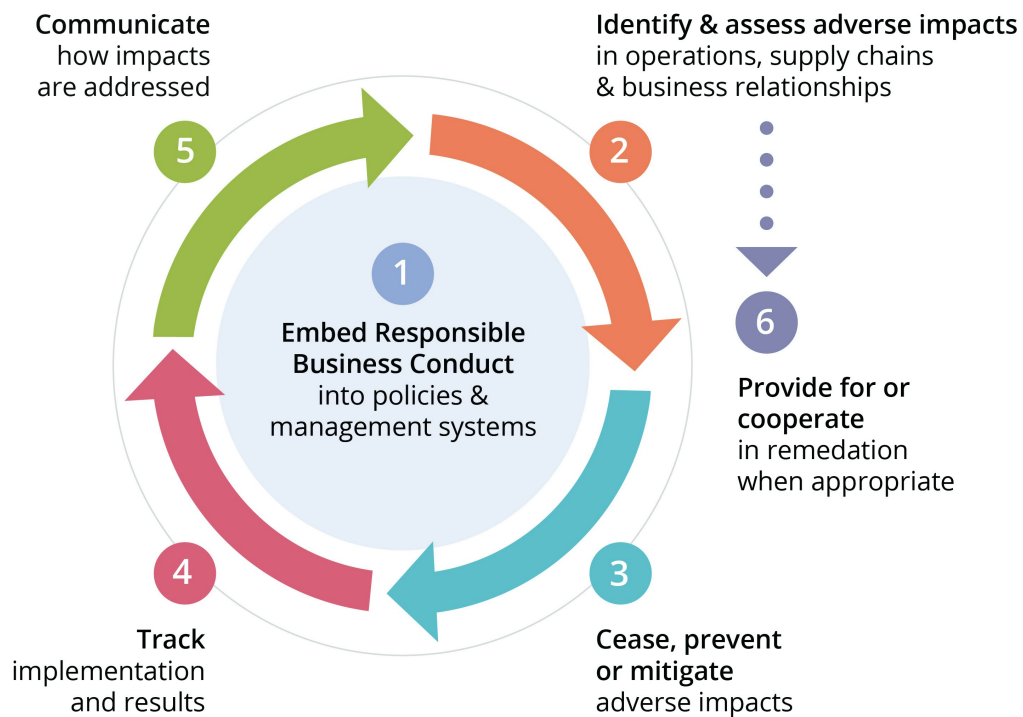
The reporting template is designed for the company to show transparency in their work on responsible and sustainable business practice, as described in the UN Guiding Principles (UNGP) and the OECD Guidelines for Multinational enterprises. The report should show how the company works with due diligence,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

Finally, we seem to be at the end of the COVID-19 pandemic. Our days are returning to normal, friends, family and colleagues can gather, we're starting to travel, going to theatres and sporting events, and enjoying what the world has to offer.

However, as we celebrate the reopening, we are mindful of the massive impact COVID-19 has had on society, and we have yet to discover all the long-term effects.

Unfortunately, the textile industry has taken a hard beating these past two years. The sharp decline in demand, pressure on suppliers for lower rates and a slew of bankrupt brands put the squeeze on an industry employing approximately 65 million people. The majority of these are women, many of them with families – elderly and children, in their care.

Conscious of these challenges, we have tried in our small way to mitigate the effects of the pandemic by engaging in longer-term order planning and frequent and regular order placement. A steady stream of orders, rather than one to two large bulk orders per season, gives more predictability for suppliers and a more even production flow. In addition, we hope that this will lead to fewer sold-out situations, which will then result in increased volumes. Planning for longer transport time also forces us to place earlier orders, which again alleviated time pressure on suppliers.

In 2021, the Norwegian government approved and implemented a new transparency law (Åpenhetsloven) for textile producers. The law will take effect July 1st 2022 and requires brands to do thorough risk evaluations, and to provide information on suppliers whenever prompted. We view this as an important milestone for supply chain transparency and welcome the new regulations. As a long-time member of Ethical Trade Norway, we already have risk evaluation systems and a transparent supply chain policy in place and deem it essential to progress that all competitors play on the same level field. However, in addition to the new transparency regulations, we call on the Norwegian government for even further, similar initiatives. Operating in a fair, sustainable and ethical manner should be beneficial and attractive for businesses, not difficult and costly, as it can be today. Therefore, in collaboration with Bergans, we have started a petition requesting that the authorities make it easier and more advantageous for businesses to invest in sustainability and ethical purchasing practices. Please feel free to sign up here: <https://www.underskrift.no/vis/8657/>

Finally, as we have previously stated – we believe that sustainability efforts in the fashion industry remain futile if we don't address the biggest issue at hand: over-consumption. The past year we have continued to encourage consumers to only buy what they need and have made large changes to our assortment. We will now carry 80% running items – decreasing the risk of outdated stock items, and place an even larger emphasis on timeless design, versatility and quality. We want our clothes to make it easier for people to be happy with what they have, and escape the constant urge to buy new, short-lived trend items.

**" Operating in a fair, sustainable and ethical manner should be beneficial and attractive for businesses, not difficult and costly, as it can be today. "**



Tine Hammernes Leopold  
CEO

# Company information and business context

## Key company information

### Company name

Pierre Robert Group

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### Head office address

Drammensveien 149, Oslo

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

Pierre Robert group designs, produces and sells basic textiles; socks, hosiery, underwear and sports garments under the brands Pierre Robert, Kapsel, Black Horse, Norlyn and Finnwear.

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### Description of company structure

Pierre Robert Group (PRG) is a part of the Orkla Group. Our main distribution channel is grocery stores and supermarkets in Norway and Finland. We also have our own webshop, as well as distribution through selected e-tailers and sport retailers. Pierre Robert Group's head office is in Oslo, with additional sales and marketing departments in Helsinki, Finland. Our aspiration is to become "the Nordic favourite for sustainable comfort".

Our sustainable strategy & commitments are set for 2025. The annual report for 2021 describes the goals and actions done during 2021.

PRG's mission statement is "We commit to creating quality basics – made with care and beloved for their comfort and style."

We inspire people to wear better by becoming a vehicle for changing consumer habits and democratize sustainability and we aim to:

- Use the more sustainable concept "KAPSEL" as spear head
  - Speak up and develop communication that stands out
  - Continue to change raw materials & products to more sustainable options
  - Transparency in our value chain
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### Turnover in reporting year (NOK)

523 000 000

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### Number of employees

147

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

523 MNOK is the turnover for 2021 for Pierre Robert Group AS Norge og Pierre Robert Oy Finland.

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

Margrethe Vikanes, CSR & Quality Manager

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**Email for contact person for the report**

margrethe.vikanes@pierrerobert.no

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## Supply chain information

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

Design, development and sourcing for all PRG brands are handled by the PRG head office in Oslo. We have an additional Chinese sourcing representative in Shanghai, assisting the Oslo office in the following-up of suppliers on sourcing, quality in production, social- and working conditions. We communicate our code of conduct, conduct risk assessments, follow up and engage in improvement projects with our suppliers depending on needs and scope. As we do not own our own factories, it is extremely important to us to source from suppliers that prioritise good and safe working conditions and that they have focus on taking an environmental responsibility. In addition we find it necessary that they see the extra added value of certifying their facility to preferred production or product standards. We collaborate both with traders\* and with factories directly.

\*Traders are local companies in close relation to the factories. Traders play an important role in developing and sourcing products in close collaboration with PRG and the factories.

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

23

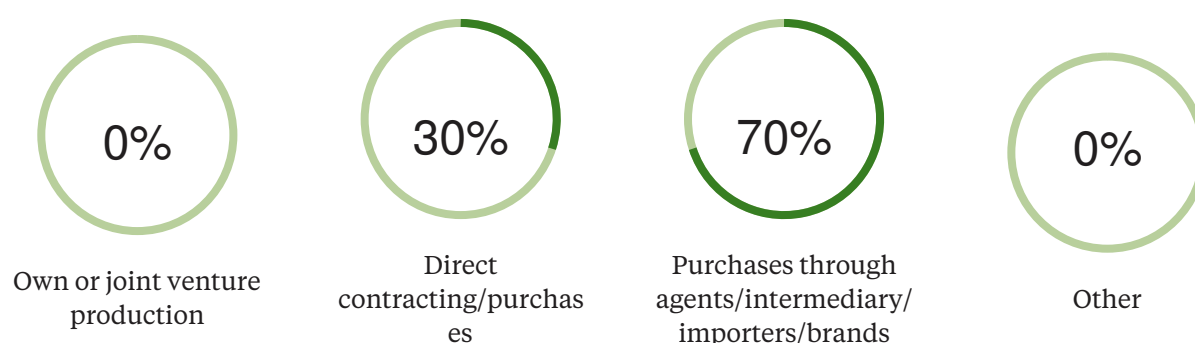
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### Comments

23 suppliers producing textiles/garments at totally 34 producers/factories.

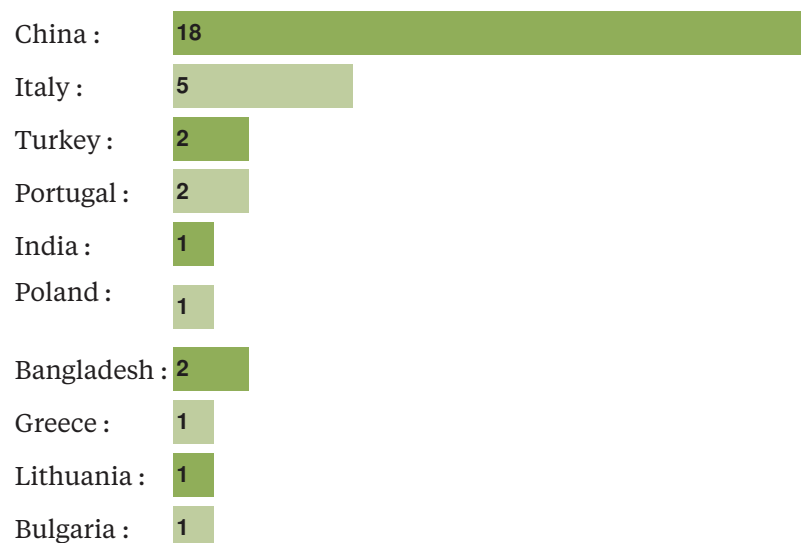
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### Approximate ratio by sourcing options



As Intermediary we collaborate with traders who are all local companies in close relation to the factories. The traders play an important role in developing, sourcing and assuring ethical and quality requirements of the production and products in close collaboration with PRG.

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



The 5 top sourcing countries from the list above supply 95% of PRG's product spend in 2021. The remaining 5% is split between the 5 countries mentioned last.

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**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

6 411

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

23

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

279

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#### Comments to number of workers

Number of workers are manually collected data from the 34 first tier factories handled by 23 suppliers. We have implemented an improved ERP system in feb 2022 to be able register this type of data along with other data related to the suppliers and their



## Key inputs/raw materials and associated geographies

<b>Organic cotton / cotton</b>	China India
<b>Merino wool mulesing free</b>	South Africa
<b>Recycled and virgin polyamide and polyester, elastan, lycra</b>	Global
<b>Lyocell (Tencel) and Viscose (Modal) from Lenzing licencees</b>	China

The list above displays the majority of raw materials used in our products.

Organic cotton is certified by the Global Organic Textile Standard (GOTS), or Organic Content Standard (OCS).

Recycled polyester and polyamide are mainly GRS certified from yarnmill or garment factory.

99% share of the merino wool sourced for our garments is product certified by the Nordic Swan Ecolabel (Svanemarket).

100% of PRG's merino wool is sourced from non-mulesing farms.

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

No

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## Goals and progress

### Goals and progress for the reporting year

1

1. WE COMMIT TO A TRANSPARENT AND 100% TRACEABLE VALUE CHAIN.

**Goal :**

1.1 Continue working on traceability for products, fibres, and production conditions to stakeholders (with consumers in focus).

1.2 Implement an improved internal system for detailed supplier data related to responsible sourcing and sustainable properties on products.

1.3 Continue to fully disclose information on who our suppliers are, to share information from our supply chain and promote transparency as a matter of course for the industry.

**Status :**

1.1 with the launch of Kapsel collection in 2021 we displayed for the first time for PRG the CO2 and water footprint of the products in the collection as part of the product information online. This is a part of the communication strategy to be open and transparent about the products and production's impact. See also comment under 6.5.

1. 2 New ERP system was launched in February 2022 and will be developed further for the purpose during 2022.

1.3. PRG disclosed detailed information on our main factories on our website. Our factory list is always available online. Utenos Trikotažas, situated in Lithuania, is a factory which has manufactured most of the jersey garments for 2021 Kapsel collection. The global environmental organization Greenpeace has recognized the factory Utenos Trikotažas as the first textile company in the world to work entirely according to its textile's procurement standard. The Greenpeace standard embodies all existing best practices in terms of zero use of toxic chemicals, fairness and transparency. We are proud to collaborate with this factory as a step towards reducing the negative impact from textile production.

2

2. WE COMMIT TO RAISING THE TEXTILE INDUSTRY STANDARDS FOR SOCIAL AND WORKING CONDITIONS + SECURING WORKERS' RIGHTS

**Goal :**

2.1 Evaluate the effects of the working-condition research project on South African merino wool farms, aiming to secure workers' rights. Follow up by implementing appropriate actions. The project is a collaboration with ETN, Norad and other textile brands.

2.2 Consider projects beyond Quizrr and explore other collaboration opportunities for improving social rights and working conditions.

**Status :** 2.1 The project in SA is completed and the report and results are available here <https://etiskhandel.no/wool-and-mohair-from-south-africa/> To continue the work we have agreed to contribute to the extension of the project to investigate how to improve the collaboration between farmers and brands to achieve better communication, knowledge and understanding, a common approach and achieve positive commercial agreements. <https://etiskhandel.no/article/dialogplattform-for-baerekraftig-ull-og-mohair/>

2.2 Due to Covid it has been less opportunities to get factories to prioritise such programs due to their focus have been on keeping up production and delivery on time. Unfortunately, the five factories which had Quizrr program implemented, did not prolong the contract after two years. This was mainly due to the cost of the program was higher than what they experienced value from output and that all the employees had completed the available modules in the program. This has been a learning process for PRG and we have shared our experience with Quizrr. PRG has a tradition to maintain long-term relationships with strategic and key suppliers. That these 5 suppliers did not prolong the Quizrr contract do not affect the relation with PRG negatively in any way.

3

**Goal :** 3. WE COMMIT TO SECURING THAT 100% OF OUR PORTOLIO AND OPERATIONS HAVE MINIMAL NEGATIVE IMPACT

3.1 Work to limit our large discount sales and find possible counter measures for Black Friday.

3.2 Achieve the target of 80% carry- over for our assortment. Aim is to reduce surplus and deadstock.

3.3 Continue to minimize packaging and achieve plastic-free/recycled plastic packaging and operations.

3.4 Work for portfolio of 100% more sustainable fibres and solutions for our products in PRG (choose recycled, organic, more environmentally friendly fibres, reduce microplastic etc when possible).

3.5 Work towards reducing the microplastic from our products.

**Status :** 2.1 The project in SA is completed and the report and results are available here <https://etiskhandel.no/wool-and-mohair-from-south-africa/> To continue the work we have agreed to contribute to the extension of the project to investigate how to improve the collaboration between farmers and brands to achieve better communication, knowledge and understanding, a common approach and achieve positive commercial agreements. <https://etiskhandel.no/article/dialogplattform-for-baerekraftig-ull-og-mohair/>

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4

**Goal :** 4.WE COMMIT TO A TOLERANT AND RESPECTFUL WORKING ENVIRONMENT WITH GOOD HES SYSTEMS

4.1 Assure that challenging sustainability goals are set for PRG employees in their employee evaluation appraisals ("my compass") process.

**Status :**

4.1 Goals are set for each employee depending on their position and responsibility and is followed up by immediate manager in the bi-annual follow-ups. The management team in PRG has sustainability as a corner stone in the PRG business platform.

To engage the employees in climate awareness and build knowledge of how our everyday actions matter in reducing our own Co2 impact, the PRG head office in Oslo participated in Ducky and Fremtiden i våre hendes climate competition in June 2021. We competed against other Norwegian companies to reduce the Co2 impact in our everyday life. We managed to raise awareness of how to make an impact by small everyday changes, and we had a lot of fun. PRG saved a total of 4,4 tons Co2 during the competition.

**5**

5. WE COMMIT TO COMMUNICATING OUR OBJECTIVE ETHICALLY & TRANSPARENTLY INTERNALLY AND EXTERNALLY AND TO NOT GREENWASH

**Goal :**

5.1 Continue to make sure that all employees should be knowledgeable about sustainability and our sustainability strategy, goals and achievements.

5.2 20% increase in Pierre Robert/PRG PR coverage over 2020 with 50% of PR coverage to include sustainability keywords. (2020 numbers = 143 press clippings with 45% related to sustainability)

5.3 Participate in Fashion Revolution and Tekstilaksjonen campaigns 2021

5.4 Contribute to the public debate, highlight important issues and increase awareness in the society by having a visible voice in media and relevant networks. In addition, we strive to grow consumer awareness and interest in more socially and sustainably responsible models.

5.1 We highlight and share results, articles, reports and other relevant sustainable business issues with all employees in PRG. We are working with the sales force, helping them become “Green ambassadors,” and the first step was to increase their knowledge and coach them in using engaging sustainability arguments with grocery shops owners and their staff. By using our voice with our stakeholders, we make commitments with the grocery chains and build a stronger position for Pierre Robert as a sustainable brand. As a large textile supplier to the Norwegian and Finnish grocery market we have a big impact and responsibility for how people dress in their everyday lives, and a possibility to enable everyone to purchase more sustainable, higher-quality products. At the same time, we can reach consumers who are typically not concerned with sustainability issues, making sure that the products available to them are more sustainable, nonetheless.

5.2 In 2021 we saw a 10% decrease in PR coverage compared to 2020, following the end of our collaboration with Jenny Skavlan. The trend changed towards the end of the year with the launch of KAPSEL, so we hope to see an uptick in 2022. 43% of postings included keywords related to sustainability. (2021 numbers= 128 clippings, 43% sustainability keyword related)

**Status :**

5.3 As always, we participated in the Fashion Revolution campaign in 2021 via social media. As a member of Tekstilaksjonen we were involved in several group activities as well as the campaign week, where our CEO Tine Hammernes Leopold represented PRG in a panel discussion about the recently passed Transparency act (in Norwegian: Åpenhetsloven). We will participate in both Fashion Revolution and Tekstilaksjonen again in 2022.

5.4 For the International Women’s Day we also released a joint op-ed with Bergans about the pandemic’s effect on women in the fashion industry. We have also collaborated with Bergans on a petition that urges authorities to act and facilitate incentives and regulations that make it easier and more attractive for businesses to operate in a more sustainable and ethical manner, and also support consumers to choose sustainable textiles. The petition is called Sett fart på det grønne klesskiftet: <https://www.underskrift.no/vis/8657/>

In relation to our KAPSEL launch in September 2021 we invited influencers and journalists to a breakfast event, and in addition to presenting the collection, used the opportunity to talk about the issues of over-consumption and our strategy to mitigate it. We will continue to talk about consumption in relation to KAPSEL in 2022.

**6**

6. WE COMMIT TO MINIMISING THE ENVIRONMENTAL FOOTPRINT OF OUR PARTNERS (3-year goals 2020-2022, from baseline 2019)

6.1 Continue working towards 3-year goal of reducing the environmental impact in our production supply chain by 50% (1st tier and 2nd tier...)

**Goal :**

6.2 Continue working towards 3-year goal of zero-waste supply chain.

6.3 Continue working towards 3-year goal of 80% eco-certification of suppliers (2019 there were 40%, 2020 there were 55%).

6.4 Explore how to measure the impact and find solution for tracing the data.

6.5 On selected products we will measure and display the Co2 and water impact.

6.1 We have not succeeded in finding a way to measure the impact in scope 3 as accurately as we had expected, the data we need is not available in a quality-assured way. On the other hand, we can make some assumptions. Since 2017, we have significantly increased our share of eco-certified factories from 0-65%, reducing the impact from our production. In addition, we have completely transformed our portfolio since 2016, moving from zero sustainably conscious products in 2016 to 74% in 2021. Although the accurate data is lacking, we are confident that this has reduced the impact of our production by a considerable amount.

6.2 Waste minimization is always a prioritised focus area for factory suppliers due the high cost of materials. By now, we have not found a way to measure waste in an effective way, but we are looking into ways to reduce waste through our entire value chain from design and samples to production.

6.3 Our share of eco certified factories is at 65% in 2021, up from 55 and 40% in 2020 and 2019 respectively. By eco certified factories we include ISO 14001, Swan Nordic Eco label, Step by Oeko-Tex, GOTS, OCS and GRS.

6.4 To be continued in 2022.

6.5 For our KAPSEL SS21 and AW21 collections, we presented the Co2 and water impact per garment on our website. At the same time, we worked to raise awareness on the environmental impact of consumption and over-consumption and used the campaign to encourage choosing products with a reduced footprint.

7

**Goal :** 7. WECOMMIT TO PROMOTING POSITIVE BODY IMAGES, INCLUSIVITY, DIVERSITY AND TO INSPIRE TO A HEALTHY LIFESTYLE.

7.1 Actively show diversity and a positive body role models in our advertising and other communication, by implementing a diversity and inclusivity policy.

**Status :** 7.1 We have significantly improved the diversity of models in our advertising, as well as on our packaging and POS material, incorporating a policy for PRG that we have called 100% human. Our goal is to accurately reflect society, and we strive to book models with differing ethnic and cultural backgrounds, different ages, sizes and people with disabilities. We always consider the diversity balance in campaign planning, and have several times turned to alternative casting solutions due to what we perceive as a lack of diversity in Norwegian modelling agencies. We also employ a no-retouching policy when it comes to body and face, meaning we will grade photos and adjust lighting, colour-tone etc., but not retouch human variations traditionally seen as “imperfections.”

Looking beyond our own choice of models, we also strive to support healthy role model influencers, and have specific requirements related to this in our brief to our PR agency. We do not wish to promote or support unhealthy body images or an over-consumption lifestyle through our influencer collaborations. We do want our influencer collaborations to be inclusive and inspiring.

8

8. WE COMMIT TO MAKE IT EASY, ACCESSIBLE AND CONVENIENT FOR YOU TO MAKE MORE SUSTAINABLE CHOICES EVERY DAY

**Goal :**

- 8.1 Continue to improve our sustainability information at POS (Point Of Sale) and on packaging.
- 8.2 Continue to clearly communicate our sustainability strategy, goals, actions and achievements to all stakeholders
- 8.3 Continue to communicate the importance of making wise and informed choices when purchasing new items of clothing, and to make the necessary information to do so easily available.

**Status :**

- 8.1 In 2021 we launched new packaging for a range of different products, ultimately planning to make the switch for the whole assortment. The project includes improved processes and a more coordinated way of displaying the products' various sustainability properties, making it easier for the consumer to find relevant information at the point of sale in grocery stores.
- 8.2 In 2021, PRG has engaged in several social media posts, ads, advertorials, articles and lectures on our sustainability work, our message on over-consumption and how we prioritise to build an assortment made with certified and more sustainable materials.
- 8.3 Several improvements have been made to our online platform to make sustainability information easily available for consumers, both on product pages, and through content articles.

9

9. WE COMMIT TO PROMOTING A CIRCULAR LIFECYCLE FOR CLOTHES AND TO HELP YOU USE CLOTHING MORE SUSTAINABLY AND EXPLORE CIRCULAR BUSINESS MODELS

**Goal :**

- 9.1 Continue to communicate how to repair clothing.
- 9.2 Actively work for a national system for textile recycling by our membership in MoST. Openly lobby for better government policies for a circular textile economy and raise the voice to regulative and authorities to speed up the establishment of a national (and Nordic) system for collecting and recycling textiles.
- 10.3 Continue to create a comprehensive online content hub for sustainability in regard to clothing.
- 9.3 Continue to encourage people to recycle exhausted textiles.
- 9.4 Scaling up circularity with a widespread industry collaboration together with NF&TA. MoST and Tekstilaksjonen
- 9.5 Scaling circularity: Look into investment possibilities in tech or recycling and circularity for either PRG or Orkla.

9.1 Online information on the topic is available on our website. We encourage consumers to repair and take care of their products. New repair information is planned for 2022. 9.2 PRG participated in a writing a recommendation for Extended Producer Responsibility (EPR) as advisory input to the government's upcoming consideration to harmonise with EU's European Green deal plans. (The European Green Deal is a set of policy initiatives by the European Commission with the overarching aim of making the European Union (EU) climate neutral in 2050. An impact assessed plan will also be presented to increase the EU's greenhouse gas emission reductions target for 2030 to at least 50%, and towards 55% compared with 1990 levels.) This work will be followed up in 2022. We consider it essential that textile companies globally take responsibility for waste from exhausted textiles and engage in organising an improved collection and recycling system for textile waste.

9.3 We have on several occasions used our voice to communicate the importance of textile recycling. We also participate in the steering committee of a project lead by NF&TA + Fretex, focusing on circular textiles, re-use and recycling systems. Read more on: Nettverksutvikling og myndighetskontakt for Sirkulære Tekstiler — NF&TA (nfta.no)

9.4 PRG is engaged in a project for circular textiles, and in partnership with Helly Hansen we support a Norwegian initiative to explore possibilities for recycling synthetic fibres. TRT-prosjektet — NF&TA (nfta.no)

9.5 We have not been able to prioritize this in 2021 but will keep it on the list of possibilities for 2022.

## 10

**Goal:** 10. Strategy period 2022 – 2024

10.1 We have started the strategy process for the years 2022-2024 – aspiring to be a "local sustainability champion" and will work on setting relevant plans and actions.

**Status:** 10.1 Sustainability is one of PRG's strategic pillars and our purpose is to "Empower people to wear better" and by that "Become a Nordic Champion for sustainable Key Garments". In the strategy we have set five major projects and a set of actions in 2022. We will share the output of these activities in the report for 2022.

## 11

**Goal:** Ongoing activities where PRG is engaged:

Dialogplattform for bærekraftig ull og mohair - Etisk Handel  
Movement for Sustainable Textiles — NF&TA (nfta.no)  
Nettverksutvikling og myndighetskontakt for Sirkulære Tekstiler — NF&TA (nfta.no)

**Status:** Utvidet Produsentansvar — NF&TA (nfta.no)  
Opplysningskontoret Tekstilaksjonen.no — NF&TA (nfta.no)  
TRT-prosjektet — NF&TA (nfta.no)

## Goal for coming years

### 1

1. WE COMMIT TO A TRANSPARENT AND 100% TRACEABLE VALUE CHAIN.

1.1 Continue working on traceability for products, fibres, and production conditions to stakeholders (with consumers in focus).



1.2 Continue to fully disclose information on who our suppliers are, to share information from our supply chain and promote transparency as a matter of course for the industry.

1.3 Adapt and act to the requirements and expectations in the recent passed Transparency Act (Åpenhetsloven) by expanding information online and equip consumer service team with the necessary knowledge and tools to handle incoming queries from stakeholders.

## 2

### 2. WE COMMIT TO RAISING THE TEXTILE INDUSTRY STANDARDS FOR SOCIAL AND WORKING CONDITIONS + SECURING WORKERS' RIGHTS

2.1 Participate in the follow up dialogue forum with South African merino wool farms. The forum is a collaboration with ETN, Norad and other textile brands.

The aim of the forum: • Establish communication between wool/mohair farmers in South Africa, and the participating companies. • Advance the understanding of all parties on the influences and forces at play with which the parties have to contend to deliver the desired products to customers • Identify, discuss and seek common approaches to major challenges facing the industry, including those associated with transitioning to a sustainable and equitable industry to the benefit of all involved and to the global community • Facilitate networking between the producers and the buying companies which could result in positive commercial agreements for all parties.

2.2 Participate in an industry project for Living wage in textile production. Goal is to understand better what we as brand can influence when it comes to workers' living wage and workers' rights.

2.3 Perform an internal evaluation of how we conduct our dialogue with suppliers about wages and living wage.

## 3

### 3. WE COMMIT TO SECURING THAT 100% OF OUR PORTFOLIO AND OPERATIONS HAVE MINIMAL NEGATIVE IMPACT

3.1 Work to hinder over-consumption as a result of sales and discounts and encourage mindful shopping during Black Friday.

3.2 Achieve the target of 80% carry-over for our assortment within 2025. Aim is to reduce surplus and deadstock by improved demand planning and purchasing orders more adapted to frequent ordering. By keeping a high share of carry overs, we also reduce the number of samples, resources to make them and transport.

3.3 Work to reduce the number of returns from web shop customers and improve that a larger portion of returned goods are re-sold. This has both financial and environmental benefits.

3.4 Continue to minimize packaging and achieve plastic-free/recycled plastic packaging and operations.

3.5 Work for 100% portfolio consisting of more sustainable fibres and solutions for our products in PRG (choose recycled, organic, more environmentally friendly fibres, reduce microplastic etc when possible). Update our design guidelines to include circular design principles.

3.6 Reduce the Co2 emission from freight. We will perform an evaluation for our transport set up and emissions.

## 4

### 4. WE COMMIT TO A TOLERANT AND RESPECTFUL WORKING ENVIRONMENT WITH GOOD HES SYSTEMS

4.1 Continue and assure that challenging sustainability goals are set for PRG in all employees' evaluation ("my compass") process.

## 5

### 5. WE COMMIT TO COMMUNICATING OUR OBJECTIVE ETHICALLY & TRANSPARENTLY INTERNALLY AND EXTERNALLY AND TO NOT GREENWASH

5.1 Continue to make sure that all employees should be knowledgeable about sustainability and our sustainability strategy, goals and achievements.

5.2 20% increase in Pierre Robert/PRG PR coverage over 2021 with 50% of PR coverage to include sustainability keywords. (2021 numbers = 128 press clippings with 43% related to sustainability)

5.3 Participate in Fashion Revolution and Tekstilaksjonen campaigns 2022

5.4 Continue to contribute to the public debate, highlight important issues and increase awareness in the society by having a visible voice in media and relevant networks. In addition, we strive to grow consumer awareness and interest in more socially and sustainably responsible models.

5.5 Expand the advertising space and commercial communications related to sustainability and increased consumer awareness.

## 6

6. WE COMMIT TO MINIMISING THE ENVIRONMENTAL FOOTPRINT OF OUR PARTNERS (3-year goals 2020-2022 from baseline 2019)

6.1 Continue working towards reducing the environmental impact in our production supply chain by 50% (1st tier and 2nd tier...)

6.2 Continue working towards the goal of zero-waste supply chain.

6.3 Continue working towards goal of 80% eco-certification of suppliers (2019 there were 40%, 2020 there were 55%, 2021 there were 65%).

6.4 Explore further on how to trace the data and measure the impact.

6.5 Expand the range of products we will measure and display the Co2 and water impact.

## 7

7. WECOMMIT TO PROMOTING POSITIVE BODY IMAGES, INCLUSIVITY, DIVERSITY AND TO INSPIRE TO A HEALTHY LIFESTYLE.

7.1 Continue our 100% Human policy in all advertising, POS and packaging, as well as through our influencer and ambassador collaborations.

## 8

8. WE COMMIT TO MAKE IT EASY, ACCESSIBLE AND CONVENIENT FOR YOU TO MAKE MORE SUSTAINABLE CHOICES EVERY DAY

8.1 Continue to improve our sustainability information at POS (Point of sale) and on packaging.

8.2 Continue to clearly communicate our sustainability strategy, goals, actions and achievements to all stakeholders.

8.3 Continue to communicate the importance of making wise and informed choices when purchasing new items of clothing, and to make the necessary information to do so easily available.

## 9

9. WE COMMIT TO PROMOTING A CIRCULAR LIFECYCLE FOR CLOTHES AND TO HELP YOU USE CLOTHING MORE SUSTAINABLY AND EXPLORE CIRCULAR BUSINESS MODELS

9.1 Continue to communicate how to repair clothing and create a comprehensive online content hub for sustainability regarding clothing. Continue to encourage people to recycle exhausted textiles.

9.2 Continue the work for a national system for exhausted textiles' collecting and recycling by our membership in MoST. Openly lobby for better government policies for a circular textile economy and raise the voice to regulative and authorities to speed up the establishment of a national (and Nordic) system for collecting and recycling textiles.

9.3 Continue scaling up circularity business with a widespread industry collaboration together with NF&TA, MoST and Tekstilaksjonen.

## 10

10. Strategy period 2022 – 2024

10.1 Sustainability is one of PRG's strategic pillars and our purpose is to "Empower people to wear better" and our

ambition is to be The Nordic Champion for sustainable Key Garments. In the strategy for 2022-24 we prioritised five major projects we will work on to grow our position as a responsible and sustainable textile company. We will share the output of these activities in the annual report for 2022.





# 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://www.orkla.no/baerekraft/samfunnsansvar-i-orkla/samfunnsansvar-i-orkla/>

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

Link to Policies and documents for own business:

<https://www.orkla.no/baerekraft/samfunnsansvar-i-orkla/styringsrutiner/organisering-av-orklas-arbeid-med-samfunnsansvar/>

<https://www.orkla.no/baerekraft/samfunnsansvar-i-orkla/antikorupsjon/>

<https://www.orkla.no/baerekraft/samfunnsansvar-i-orkla/menneskerettighetspolicy/>

<https://www.orkla.no/wp-content/uploads/sites/2/2022/03/Orkla-Animal-Welfare-Policy.pdf>

<https://www.orkla.no/ledelsens-tilnaerming-til-baerekraft/>

<https://www.orkla.no/ledelsens-tilnaerming-til-baerekraft-gri-103/>

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

Ethical trade and corporate social responsibility are important and high-priority areas of Orkla, and demands and expectations are set for each company to have implemented ethical trade and sustainability in their business processes. Orkla has a pronounced sustainability strategy that provides guidance to the companies, including PRG. The board of PRG is well informed about the work on ethical trade and supports ethical trade as a fundamental part of the business platform for PRG. PRG has set clear targets for sustainability work towards 2025, and specific measures have been defined for the next 2-3 years.

The overall policy for sustainable business is developed by Orkla and anchored with all business units. The policy for sustainable sourcing and operations is anchored with the board, management group and all employees.

Our goal is to be "The Nordic Favorite for Sustainable Comfort" and the sustainability strategy up to 2025 is based on our main commitment, "We commit to promoting a sustainable textile industry."

There are several goals and obligations in this:

#We Commit to playing fair and by the book:

#We commit to a transparent and 100% traceable value chain

#We commit to communicating our objectives ethically & transparently, and to not greenwash

#We commit to securing that 100% of our portfolio and operations have minimal negative impact

#We commit to holding our partners to the same ethical standards as we do ourselves:

#We commit to raising the industry standard for social and working conditions and securing workers rights

#We commit to minimizing the environmental footprint of our suppliers

#We commit to promoting best practice for animal welfare

#We commit to always provide you with a more sustainable choice:

#We commit to making it easy and convenient for you to make more sustainable choices every day

#We commit to promoting a circular life cycle for our clothes, and help you use clothing more sustainably

#We commit to encouraging a healthy and active lifestyle through our products, advertising and use of role models

Based on these commitments, we have set specific goals that are linked to activities in the short and long term from 2022-2023/4. The work is part of our business strategy and is anchored throughout the company.

## 1.B Organisation and internal communication

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

Responsibilities for responsible business practice in PRG:

-CEO, Tine Hammernes Leopold

-- Business Development Director, Atle Bjerkli

--- CSR and quality Manager, Margrethe Vikanes

And in general within Orkla and all business units;

<https://www.orkla.no/baerekraft/samfunnsansvar-i-orkla/styringsrutiner/organisering-av-orklas-arbeid-med-samfunnsansvar/>

<https://www.orkla.no/ledelsens-tilnaerming-til-baerekraft/>

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### 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?

All decision makers in PRG have sustainability as part of the framework for decision making, all based in our sustainability commitments. Each department has an assigned sustainability representative, responsible for sustainability efforts and actions within their department. Ethical trade and sustainability topics are regularly on the agenda for internal meetings for all employees.

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

All new employees get an introduction to sustainability in PRG, and the topic is frequently on the agenda in internal meetings. All employees are also given regular updates and news on the companies' sustainability work. It is compulsory for all new product managers at PRG to attend training on IEH's basic and advanced courses in ethical trade. Practical training and follow-up of new product managers are carried out by the CSR manager.

All product managers have an active role in securing ethical trade towards suppliers and products, and attend various seminars and network meetings related to ethical trade. The product department is also an internal driver for training and raising awareness in other departments in order to better safeguard and support the work done in ethical trade. In addition, each department has one or more resources committed to managing the sustainability tasks in their department.

## 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?**

Ethical trade and corporate social responsibility are important and high-priority areas of Orkla, and demands and expectations are set for each company to have implemented ethical trade and sustainability in their business processes. Orkla has a sustainability strategy that provides guidance to the companies, including PRG. The board of PRG is well informed about the work on ethical trade and supports ethical trade as a fundamental part of the business platform for PRG.

PRG has set clear targets for sustainability work towards 2025, and specific measures have been defined for the next 2-3 years. The commitments are anchored with the management team, and all departments have an action list for their area of responsibility and contribution.

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### **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?**

Updates are given to the management team and board through regular meetings and business reviews. Typical topics are:

- status and priorities on sustainability projects, actions, collaborations etc.
  - communication plans for sustainable products and sustainability work in PRG.
  - strategy and plans for our future sustainability work and anchoring of decisions and priorities.
-



## 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?

Pierre Robert Group strives towards responsible business conduct that respects people, society and the environment. To achieve responsible business conduct we wish to work in close partnership with our suppliers and business partners. Pierre Robert Group considers collaboration to be a prerequisite for responsible business conduct, and key to the achievement of the UN Sustainable Development Goals.

Our suppliers and partners can expect from Pierre Robert Group that our purchasing practices strengthen, and do not undermine their opportunity to deliver on our requirements related to people, society and the environment. Pierre Robert Group always seeks collaboration in order to achieve responsible business conduct. However, we will end business relationships or other forms of collaboration if our supplier or partner does not meet our expectations for responsible business conduct.

We communicate in written form and in meetings with the suppliers that we emphasize the importance of responsible business conduct as part of the collaboration with PRG. We collect and evaluate social and environmental information from the factory as a part of the sourcing process. All suppliers must sign and accept our Code of Conduct before orders are placed. Feedback to the factories is provided in the form of written feedback, through supplier meetings, our own factory visits and continuous dialogue with the suppliers on areas of improvement and follow-up improvement measures from audits and our own visits.

All suppliers are requested to communicate our CoC to their suppliers. This is emphasized in the further dialogue with the supplier, and is reinforced by the fact that selected sub-suppliers are asked to fill in SAQ and / or are visited by us. This is the standard follow-up routine for all new and suppliers and existing big or strategic suppliers.

We expect our suppliers and partners to work focused and systematically to comply with our Guidelines for Suppliers, hereunder our Code of Conduct, that covers fundamental requirements on human rights, labour rights, anti-corruption, animal welfare and the environment. Our suppliers shall:

- Follow our guidelines for suppliers, hereunder the code of conduct.
- Conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impacts on people, society and the environment and to stop, prevent and reduce such impacts. The measures put in place must be monitored and their effect evaluated. The measures taken must be communicated to those affected by our actions. If the supplier is responsible for the negative impact/damage, they are responsible for providing remedies.
- Show willingness and ability to continuous improvement for people, society and the environment through collaboration.
- At the request of Pierre Robert be able to document how they, and potential subcontractors, work to comply with the guidelines.
- If the supplier, after several requests by Pierre Robert, does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled.
- Have a system in place to manage complaints related to human rights, labour rights, the environment and corruption.
- Avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

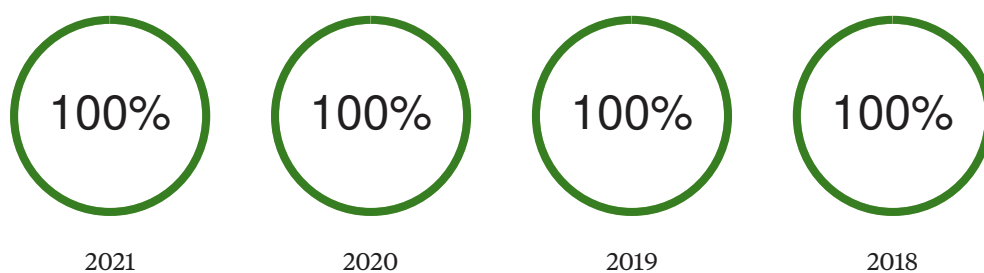
At the request of Pierre Robert Group, the supplier must be able to document how they, and any potential subcontractors, work to comply with the Guidelines for Suppliers. This may be done through follow-up meetings and/or mapping of conditions in the supply chain. Should Pierre Robert Group request an assessment of subcontractors' compliance with the Guidelines, the supplier is required to provide the name and contact details of subcontractors.

Link to our ethical guidelines: Supplier Code of Conduct [https://www.pierrerobert.no/no\\_NO/ansvarlig-](https://www.pierrerobert.no/no_NO/ansvarlig-)



## Indicator

Share of suppliers which have signed and accepted ethical guidelines CoC.



## 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?**

As a result of Covid-19 we have experienced that having a robust supply chain with a good plan for contingency is key to manage such crises. After two years with a pandemic affecting the whole value chain, we have succeeded in stabilising the factors we are able to affect. To stabilise it has been key with good communication, planning and suppliers implementing the necessary measures to keep production going and prevent laying off workers. The after effects of Covid19 are still making the industry more fragile and uncertain when it comes to workers rights, production capacity, raw material-, production, product and logistics prices. PRG's target is to do our best in the work for securing a stable and solid supply chain, be predictable to suppliers and work for a responsible and sustainable textile industry together with our suppliers.

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
Extended use of overtime	Working hours	China
Extended use of energy from coal or oil sources and plastic from fossile sources.	Environment Greenhouse gas emission	Global
Water scarcity and water management	Environment Water	Bangladesh China India Pakistan
Microplastic from textiles	Environment Water	Global
Textile waste and recycling	Environment Waste	Global
Wages in the textile industry is not up to living wage in many cases.	Wages	Bangladesh China India
Health and safety for workers at factories	Occupational Health and safety	Global
Fredom of association	Freedom of association and collective bargaining	Global
Climate change risk	Environment	Global

Pandemics like Covid-19	Discrimination Occupational Health and safety Working hours Regular employment Corruption	Global
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Several of the above salient issues are present at global scale and PRG are addressing these issues through the actions we do based on our commitments and UN development goals. Not all of the salient issues are possible for PRG to solve alone and these are challenges which needs to be addressed through international collaborations, governments and industry players. The last two years with the Covid19 pandemic have had huge impact in the supply chains globally and as we speak we still have delays in logistics and extra long leadtimes due to the pandemic. We have from the pandemic started in 2020 had close communication with the affected suppliers and assured that necessary measures are taken at the factories to protect the employees. Further we have had good dialogue with the suppliers on production planning and logistics to keep the supply chain as intact as possible.

## 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.**

PRG is mapping the textile industry's salient issues through various reports and information we get from independent sources, stakeholders and organisations. It is a continuous and dynamic process to evaluate the inherent risk of the industry and factors like country or region, raw material and production processes are important factors to consider. The salient issues described above are the risks PRG see as most pressing issues in the textile industry in the recent years. PRG's actions to reduce the impact of salient issues are taken through our goals and commitments up to 2025. These are presented under coming year's goals earlier in the report. PRG will work for to adapt to these salient issues as we move on, and we will have to prioritise necessary actions as far as possible.

An updated due diligence/risk assessment on salient issues will be ready spring 2022.

Here follows a short description of how risk evaluation during sourcing process is done in PRG:

When sourcing for new suppliers there are a set of minimum criteria the suppliers must meet in addition to how they perform in a risk assessment. To identify risk for both new and existing suppliers, we have implemented a method in the procurement process that consists of a mapping and evaluation that includes a three-step process.

1. An initial risk assessment is made based on parameters such as:

- Country of origin
- Inherent risk in the product
- Environmental impact
- Supplier's and management's awareness and attitude towards ethical trade, CoC, sustainability and the environment
- The total value and total volume of the product / order
- Duration of the business relationship between PRG and the supplier
- Previous social audits and PRG representatives' visits at the factory

2. A total risk assessment is then performed based on the weighted parameters mentioned, as well as other criteria related to the product's standard and quality, production capacity and production quality control, price, etc.

3. To systematize the risk assessment, an Orkla Responsible Sourcing risk matrix has been established in which the forementioned parameters are graded and evaluated. In addition, PRG's internal checklists, SEDEX or BSCI system are used for SAQ, verification of relevant certificates, meetings and / or own visits with the supplier.



4. CSR Manager and buyers do regular follow ups on producing factories and CSR is always part of the agenda at suppliers' visits or meetings.

Sources of information we use for mapping risk per country / sector:

Ethical trade Norway's risk assessment tool (updated nov 2021)

Sustainable Sourcing Map (risk analysis published by MCL Global)

Maplecroft risk index

Country reports on Human rights practices

Country Information ILO.org

The Ministry of Foreign Affairs' country notes on community response

Business and Human rights

Transparency international - corruption index

Information and resources from Ethical trade Norway

Other publicly available information and own / others' experiences

Reports from Amnesty international and other public reports within textile industry challenges like RISE: mistra future fashion, McKinsey and other

Tekstilaksjonen, MOST. NF&TA

Local representatives in the respective countries

3rd party social audits at the suppliers

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## 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.**

This last two years with the Covid19 pandemic have had an huge impact on the supply chains globally. Since the pandemic started in 2020, we have had close communication with the affected suppliers and assured that necessary measures are taken at the factories to protect the employees. Further, we have had good dialogue with the suppliers on production planning and logistics to keep the supply chain as intact as possible. We have kept the majority of our original orders to our suppliers. All produced orders have been paid in due time. For products such as sportswear and underwear we have placed extra orders to meet the increased demand in the market. Fortunately, none of our suppliers have been declared bankrupt due to Covid19.

We believe that the fashion industry's current focus on fast-changing trends, and encouragement of and dependence on over-consumption, is a major issue that needs to be addressed. Due to this, we encourage people to consume less by buying less and choosing quality over quantity; choosing timeless, long-lasting pieces over short-lived trend pieces; shopping second-hand when possible; educating themselves about material qualities and production, and to even consider switching to a capsule wardrobe.

It may seem contradictory for a clothing brand to ask consumers to buy less clothes, but we believe that this is a necessary step to change the way we as a society make and use clothing. On our part, we have narrowed our focus to quality materials, finding the perfect fit, and designing for versatility and timelessness. We want our basics to be versatile enough to be used with all clothes, in many combinations, again and again – no matter season or context. We also focus on producing clothing that is hard to or cannot be bought second-hand.

As a concrete step to move away from over-consumption and production we are working to have 80% running carry-over items. This will reduce complexity throughout the value chain, reduce stockpile issues related to dated items, and towards the consumer – place less emphasis on short-lived fast fashion trends. Progress on this area is mentioned in the beginning of the report under status for 2021. But we repeat the key numbers here: PRG have by fall 2022 a collection consisting of 69% carry over items (compared to fall 2021 with 66% carry overs).

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 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**

<b>Salient issue</b>	<b>Extended use of overtime</b>
<b>Goal :</b>	Reduce the use of extensive overtime hours.
<b>Status :</b>	Addressing the issue with the relevant suppliers.
<b>Objectives in reporting year :</b>	Addressing the issue and find rootcause for use of extensive overtime and find possible solutions.

#### Actions :

Communicating with suppliers to find root causes and agree on measures to reduce the overtime. Raising awareness internally and with suppliers. Assuring that PRG's purchasing practices and timeline, from product development to order, is communicated and anchored with the factory and makes the process for all parties involved smoother and more predictable. Conscious of overtime challenges, we have tried in our small way to mitigate the effects of the pandemic by engaging in longer-term order planning and frequent and regular order placement. A steady stream of orders, rather than one to two large bulk orders per season, gives more predictability for suppliers and a more even production flow. In addition, we hope that this will lead to fewer sold-out situations, which will then result in increased volumes. Planning for longer transport time also forces us to place earlier orders, which again alleviated time pressure on suppliers.



<b>Salient issue</b>	<b>Extended use of energy from coal or oil sources and plastic from fossile sources.</b>
<b>Goal :</b>	To minimise the use of energy and reduce the energy sources from coal or oil. Reduce the need for oil as resource for plastic bags and textile fibres. Become plastic free in packaging. When plastic is not possible to replace and is necessary to use, it must be from recycled plastic or plastic from renewable or other sustainable materials.
<b>Status :</b>	Addressing the issue with the suppliers. We have mapped the type of energy used at Italian factories. Replaced virgin plastic with recycled plastic for most of the D-pack polybags + webshop polybags and replaced plastic packaging and plastic hooks with FSC paper packaging for most of our collections. As PRG is part of MOST and Tekstilaksjonen we have developed common KPI's for measuring the impact of textile production.
<b>Objectives in reporting year :</b>	To continue mapping the type of energy used at selected suppliers, see how they measure it and understand how to measure and report it. Reduce use of plastic wherever possible and replace the remaining plastic with recycled paper or recycled plastic.

#### Actions :

Mapping and finding methods for measuring the energy-use in the supply chain and consider making it part of the criteria for choosing suppliers. Explore more on this large topic and build knowledge and understanding internally.

<b>Salient issue</b>	<b>Water scarcity and water management</b>
<b>Goal :</b>	Reduce the use of water in our supply chain
<b>Status :</b>	Implemented eco certifications in the supply chain which have requirements for limiting use of water and requirements for restricted use of chemicals in wet processes in production, like GOTS and Swan label. Using recycled synthetic fibre in products reduces the water consumption in production of the fibre.
<b>Objectives in reporting year :</b>	To take steps to reduce the use of water through eco certifications for production and choosing fibre which require less use of water in the production processes.

#### **Actions :**

Addressing the issue to suppliers and going forward to implement it to be part of the criteria for choosing suppliers. Focus on choosing fibres, materials, production methods and facilities which contribute to limit the water usage and climate impact. Using recycled synthetic fibre reduces the use of energy, water and chemicals vs using virgin synthetic fibre. In addition, we use materials which already exist and then depend less on extraction of oil as a raw material for textile fibre production.

<b>Salient issue</b>	<b>Microplastic from textiles</b>
<b>Goal :</b>	Minimise the microplastic release from garments being washed at home.
<b>Status :</b>	Continue selling Guppy Friend bag in our webshop as a mean for consumers to reduce the release of microplastic from home laundry.
<b>Objectives in reporting year :</b>	See more info here for relevant projects: <a href="https://www.sintef.no/en/projects/microfibre-evaluating-the-fate-effects-and-mitigat/">https://www.sintef.no/en/projects/microfibre-evaluating-the-fate-effects-and-mitigat/</a> and the Rise project: <a href="https://www.ri.se/en/what-we-do/projects/minshed">https://www.ri.se/en/what-we-do/projects/minshed</a>

#### Actions :

Further investigation and research are needed on industry level and at the moment we follow the development in this area with stakeholders. We are positive to participate in relevant upcoming research.

<b>Salient issue</b>	<b>Textile waste and recycling</b>
<b>Goal :</b>	To minimise the textile waste from production, in the supply chain and from consumers.
<b>Status :</b>	Mapped majority of the factories waste handling system.
<b>Objectives in reporting year :</b>	Continue to get an overview of waste handling systems at the factories. Design products with focus on minimising textile waste in production (ie when cutting textile fabric from design patterns).

**Actions :**

Mapping suppliers' system for sorting and recycling textile waste. Increase awareness among design and product development and revise our design guidelines to include more on circularity.

<b>Salient issue</b>	<b>Wages in the textile industry is not up to living wage in many cases.</b>
<b>Goal :</b>	Support initiatives in the industry and government to address the gap between (minimum) wage and living wage.
<b>Status :</b>	This topic is a complex and a challenge we can not solve alone. By addressing the issue we hope to raise awareness among suppliers, brands and consumers.
<b>Objectives in reporting year :</b>	Include the topic in stakeholder dialogue. Keep the topic on the CSR agenda within the industry and brands.

#### Actions :

We are participating in a dialogue project with other brands in Norway to increase knowledge and explore how we can address this issue as a company and together within the industry. Continue having dialogue with suppliers and stakeholders to discuss challenges and solutions. Follow and support industry initiatives to influence stakeholders and governing authorities who can contribute to take actions to reduce the gap between minimum wage and living wage.

<b>Salient issue</b>	<b>Health and safety for workers at factories</b>
<b>Goal :</b>	Contribute to that health and safety is safeguarded for factory workers and ensure that health and safety is on the daily agenda at the factories we manufacture.
<b>Status :</b>	Followed up regularly through audits and supplier meetings to ensure that corrective action is taken if there are any deviations from audits or own visits.
<b>Objectives in reporting year :</b>	Continue keeping the topic on the agenda with suppliers and factories and follow up after factory audits. Push and encourage the factories to focus on and raise the level of health and safety issues among employees.

**Actions :**

Always keep as first priority to follow up H&S issues after social audits, and make sure the factory takes actions to improve and/or correct.

<b>Salient issue</b>	<b>Freedom of association</b>
<b>Goal :</b>	Support that workers are free to join labour associations and engage as worker representatives as they are entitled to.
<b>Status :</b>	Followed up through audits and in supplier meetings. Through the Quizrr training knowledge among factory employees have been increased on their rights.
<b>Objectives in reporting year :</b>	Address the issue within the industry and with other textile brands through Ethical Trade Norway's organisation and initiatives.

**Actions :**

Completed the Quizrr "rights and responsibilities" module training with 5 factories in China in 2021 and by that increased the knowledge among employees.

<b>Salient issue</b>	<b>Climate change risk</b>
<b>Goal :</b>	Goal is to minimise the risk in our value chain and help prevent climate change by contributing to reducing the climate impact from production. 80% of the climate impact in a product comes from production processes so we have a large responsibility to reduce this.
<b>Status :</b>	Evaluate the risk for raw materials, especially natural fibres, which are affected more of climate change than man made fibre.
<b>Objectives in reporting year :</b>	Understand the risk of climate change and the implication it might have to our value chain.

**Actions :**

Continue to increase knowledge how climate risk should be mapped in our value chain. We will continue working with risk analysis on sustainability, environmental, social and ethical areas due to climate change scenarios.



Salient issue	<b>Pandemics like Covid-19</b>
Goal :	be prepared and aware for similar scenarios in the future.
Status :	
Objectives in reporting year :	Evaluate the effects of C19 in our value chain and use the experience to take necessary precautions for any similar situations if it should occur in the future. Goal is to minimise the risk for the employees and production in our supply chain.

Actions :

Collect Information and evaluate the effects and impacts in our value chain.

## OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

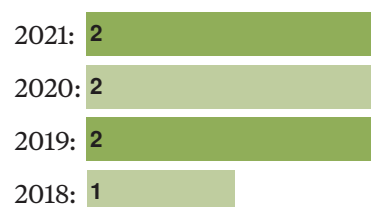
Describe cross-cutting actions to cease, prevent or mitigate negative impacts, including in your supply chain

### 3.B.1 Reduction of environmental and climate footprint

Reduce the use of energy, water and chemicals in our supply chain by implementing environmental certifications in the supply chain and dialogue with suppliers to address these issues. Increasing the share of eco certified products and factories. Using textile fibre with less environmental impact.

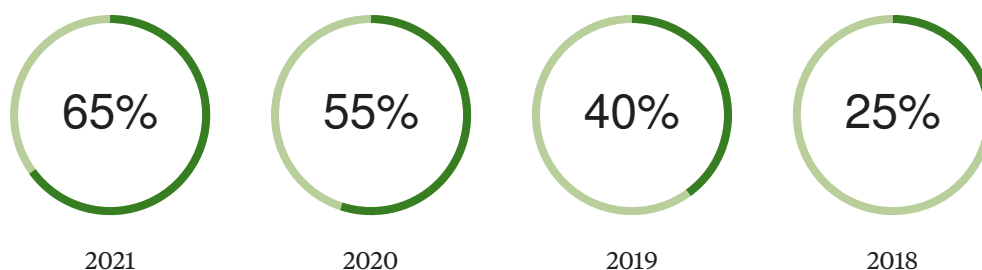
#### Indicator

##### Number of Nordic Swan Ecolabel certified factories



Both factories are located in China and producing merino wool garments.

##### Share of factories with eco or environmental certifications like ISO 14001, GOTS, Nordic Swan Ecolabel, OCS, GRS

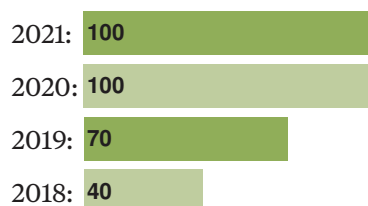


### 3.B.2 Adapting own purchasing practices (sourcing)

PRG has practiced predictable purchasing practices over the past ten years and we communicate our schedule and timeline for placing orders. We have had dialogue with the suppliers on how we are performing. But we still see a need to continue building awareness internally on how the purchasing practices can have a negative or positive impact on the working conditions at the factories. We also need continuous input from suppliers on how to improve our practices and how to make further improvements to reduce the use of resources and input factors to the products and production.

#### Indicator

Converted from plastic consumer packaging to paper packaging for Pierre Robert products.



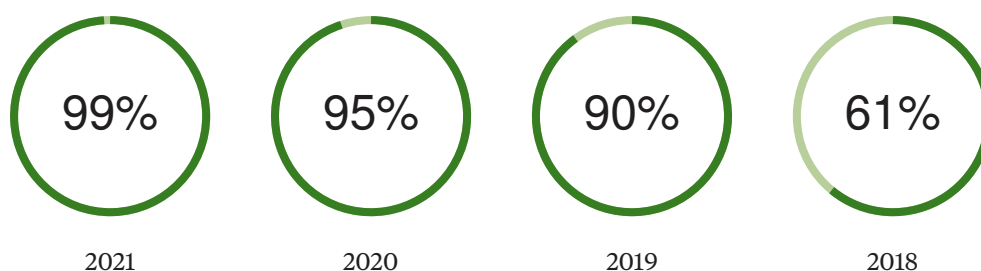
We are still dependent on plastic bags to a certain degree to protect goods during transport. We have by 2021 converted from virgin plastic to recycled plastic for this purpose in the majority of polybags.

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

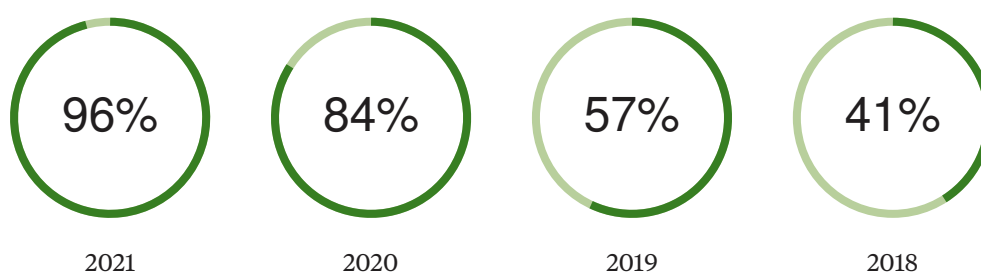
Increase the share of products with sustainability/environmental certification. PRG's commitments is to have 100% portfolio and operations with a minimal negative impact within 2025.

## Indicator

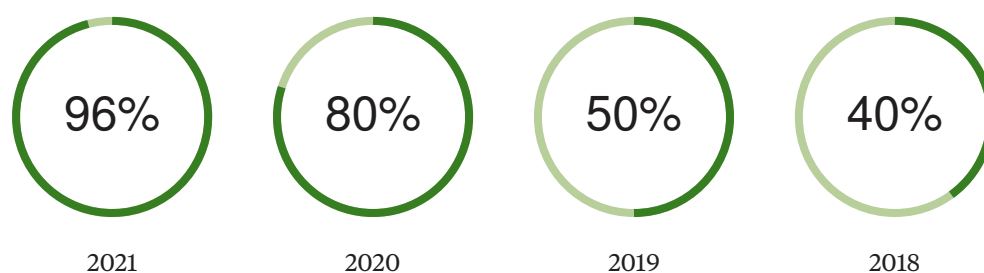
Share of merino wool garments with Nordic Swan Ecolabel certification



Share of cotton products with certified organic cotton; GOTS or OCS certification



Share of packaging made from sustainable material FSC or FSC mix paper.



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**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.**

Raising awareness with the suppliers and employees within these topics.

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

QuizRR training tool: 5 factories and have completed the modules on Rights and Responsibilities, Worker Engagement, Wage Management - see quizRR website for more info on the training tool;

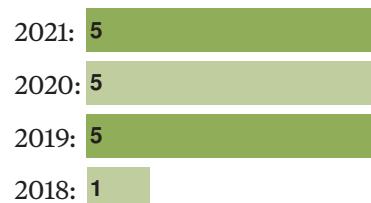
<https://www.quizrr.se/why-quizrr/>

This means that 1919 employees have completed a total of 7460 training sessions.

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## Indicator

### Factories with QuizRR training system implemented



By January 2022 none of the five factories extended the contract with Quizrr.

In 2021 we did an evaluation of the Quizrr program and considered to not extend the collaboration at this stage.

2019 and 2020 signed up for 5 factories with 2 years contract.

2018: QuizRR was piloted at one factory in China.

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



## 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

Activities and performance with respect to our due diligence activities in the supply chain are tracked on a regular basis by the CSR Manager. Data and information on each factory related to human rights, workers' rights and environmental issues is collected and reviewed. In addition certifications such as GOTS and the Nordic Swan Eco label have strict requirements and positive effects on working conditions and workers' rights. Local activities like the Quizrr program and other improvement actions are monitored continuously and reviewed on an annual basis by the CSR Manager, with input from relevant internal and external stakeholders.

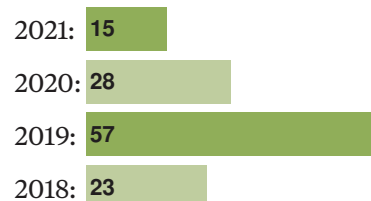
Suppliers are evaluated annually based on the most important criteria: CSR performance, quality assurance performance, sustainability performance, production and delivery performance, communication skills and environmental certifications.

PRG is in dialogue with suppliers and factories on how the production has an impact on people and the environment. This is always a topic in supplier meetings and visits with the suppliers and factories. The recent two years there has been limited physical visits due to restrictions. Due to C19 follow ups have been based on social audit reports and audits through the certifications (GOTS, Swan eco label, GRS etc).

We encourage suppliers and factories to improve any areas related to these topics and we have, by introducing environmental certifications like the Nordic Swan Ecolabel and GOTS, improved and assured that the production is set up to reduce the social and environmental impact. In social audits we encourage the factory to let the auditor perform interviews with the workers as part of the social audit.

## Indicator

### Number of suppliers monitored and assessed by own visits and third party audits:



Numbers above are the sum for 2021 external 3rd party social audits. Note that in 2021 there were no physical visits to factories by the production department staff from Norway due to Covid19 travel restrictions. Our Chinese representative visited 2 factories in China in 2021. A few delays were reported for 3rd party audits due to Covid19 in 2021.

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

Collect information and dialogue with suppliers and stakeholders.

Sourcing coordinator in Shanghai is in close dialogue with the suppliers and textile industry in Asia.

Supplier visits

Social Audits by 3rd party auditors

Audits on certifications like GOTS and Nordic Swan Ecolabel



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

PRG is in dialogue with suppliers and factories on how the production has an impact on people and the environment. This is always a topic in meetings and visits with the suppliers and factories. We encourage suppliers and factories to improve any areas related to these topics and we have, by introducing environmental certifications like the Nordic Swan Ecolabel and GOTS, improved and assured that the production is set up to reduce the social and environmental impact. In social audits we encourage the factory to let the auditor perform interviews with the workers as part of the social audit.

We strive to be transparent to all stakeholders about our work with sustainability, and aim to include important information on our website, POS, in social media, press contact and as of 2019 – also in our advertising. If an issue does arise, we will of course also use any means of direct contact to communicate with our stakeholders, and the form of messaging may differ – but because we have an openness policy, the content of our messaging will be the same, regardless of stakeholder.

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

We provide information about our sustainability strategy, focus areas, challenges, choice of materials, factories and more on our website. All the products in our web shop are clearly marked with detailed sustainability information such as eco-labels and why the choice of materials leaves a smaller environmental footprint, and we include sustainability information on our packaging and in-store point of sale material. We also include sustainability in our marketing communication, including in paid advertising.

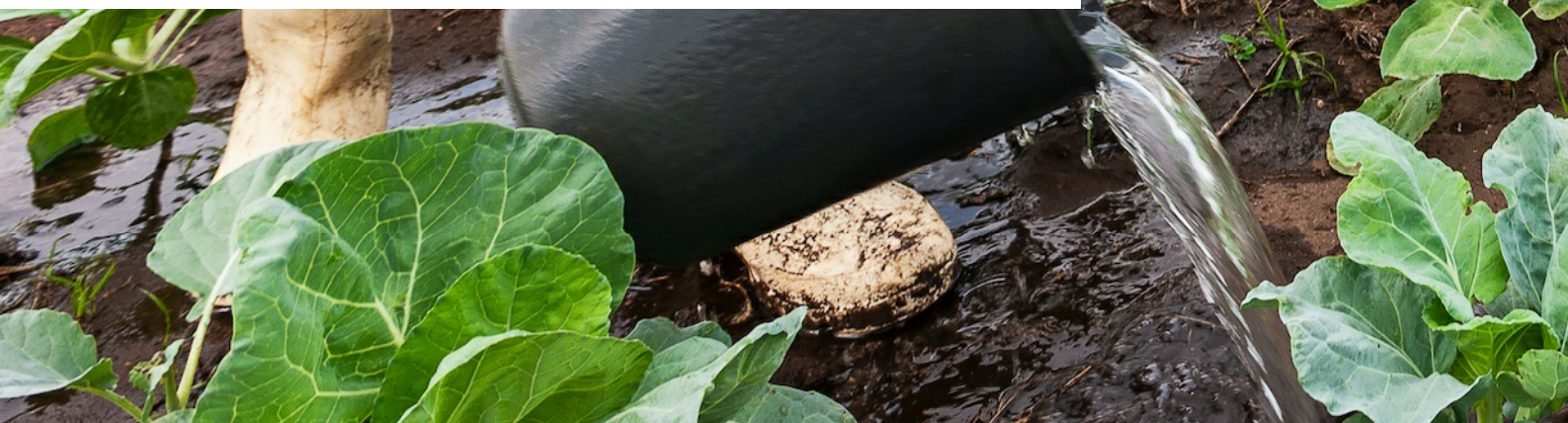
We are seeking to take a visible leading role within sustainability in the Norwegian fashion/textile industry and actively participate in networking events, seminars etc.



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

PRG has an obligation to remedy any negative impact and damage from our production. The policy is uploaded in area, ref. 1.A.1.

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

PRG has not had or been involved in any cases of remediation in 2021.

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## 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**

Through the training factory employees had with Quizrr tools, as well as in dialogue or meetings with the suppliers, we raise awareness of complaint mechanisms. An expected outcome is factory management engaging with workers' representatives to establish a process through which they can raise complaints to the enterprise.

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