

# Amer Sports Norge AS

## The Norwegian Transparency Act Report 2023



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## **1. Introduction to the Norwegian Transparency Act**

The Act shall promote enterprises' respect for basic human rights and decent working conditions in connection with the production of goods and the provision of services, and ensure the public has access to information about how businesses deal with negative consequences for basic human rights and decent working conditions.

By fundamental human rights it is meant the internationally recognized human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO's core conventions on fundamental principles and rights at work. Decent working conditions means work that safeguards basic human rights and health, environment and safety in the workplace, and that provides a living wage. By supply chain it is meant any party in the chain of suppliers and sub-contractors that supplies or produces goods, services or other input factors included in an enterprise's delivery of services or production of goods from the raw material stage to a finished product. By business partner it is meant any party that supplies goods or services directly to the enterprise, but that is not part of the supply chain.

The Amer Sports Ethical Policy (Supplier Code of Conduct) serves as a fundamental framework for effectively managing relationships with suppliers, establishing clear expectations, and promoting ethical business practices. It requires suppliers to commit to upholding ethical standards and integrity, maintaining compliance with laws and regulations, addressing labor practices and human rights, ensuring environmental responsibility, maintaining confidentiality when handling intellectual property, enforcing anti-corruption and anti-bribery measures, managing risk, and monitoring performance. In collaboration with suppliers, Amer Sports drives systematic remediation and continuous improvement.

Amer Sports expresses a zero tolerance approach to modern slavery, human trafficking, child labor, or any form of forced labor, and actively works to prevent adverse human rights impacts in its value chain and improve working conditions. Amer Sports is committed to acting ethically and with integrity and transparency in all business dealings and implementing effective systems and controls to safeguard against any form of forced labor, modern slavery, or child labor within our business or supply chains.

The enterprises must carry out Due Diligence assessments in line with the OECD's guidelines for multinational companies. The Due Diligence assessments must be carried out regularly and be in relation to the size of the business, the nature of the business, the context within which the business takes place, and the severity of and the likelihood of negative consequences for basic human rights and decent working conditions. The businesses must publish an account of the Due Diligence assessments. The statement must be made easily available on the company's website, or be easily accessible. In the annual report, the companies must state where the report is available. The report must be updated and published by 30 June each year and otherwise in the event of significant changes in the business's risk assessments. It must be signed in accordance with the rules in § 3-5 of the Accounting Act.

The Vendor Sustainability team of the Amer Sports Supply Chain function is responsible for monitoring and controlling labor practices and ensuring they meet the requirements set out in the Amer Sports Ethical Policy. The team is also responsible for ensuring alignment with our company's commitment to human rights, in the spirit of internationally recognized social and ethical standards, including International Labor Organization (ILO) Standards and the United Nations' Universal Declaration of Human Rights. This holds true especially for women, children, and migrant workers. We share this commitment within our entire supply chain to treat employees with respect and dignity.

In 2023, Amer Sports initiated its inaugural Human Rights Impact Assessment (HRIA) with an independent consultancy to better understand its human rights implications across the entire value chain to understand our most salient human rights impacts, assess our current processes for managing these, and formulate strategies for improvement. The assessment, examining the entire value chain, went beyond production to consider impacts throughout product lifecycles, including deforestation and climate change. Through in-depth interviews, risk analysis, and due diligence, Amer Sports identified areas for enhancement, including fortifying health and safety protocols and expanding social compliance within the supply chain.

For more information, please visit: <https://lovdata.no/dokument/NLE/lov/2021-06-18-99>

## 2. Methodology for the Transparency Act work

The methodology used to answer the requirements in the Transparency Act follows the OECD's guidelines for due diligence for multinational enterprises in accordance with § 4 in the Norwegian Transparency Act. The method is based on a four-step model that contains the following components and activities:

1. Embedment of responsibility
  - a. Embedment in the board and management
  - b. Embedment into policies and management systems
2. Due Diligence
  - a. Analysis of the enterprise' suppliers and value chain in accordance with the OECD guidelines
  - b. Due Diligence assessment with representatives from the enterprise to identify areas of improvement

The Amer Sports' global supply chain is a complex network with its operations, supplier partners, and employees in different countries who all work diligently on our products. This creates job opportunities for workers, but also human rights risks that require proactive mitigation and management. Additionally, this exposes us to political, economic, and regulatory risks that demand careful consideration. Operational processes, and different phases of it, can all create adverse impacts on working conditions throughout the entire value chain.

To identify the salient country risks, we partner with third-party service providers to establish risk assessment metrics for various countries, regions, and industries, covering human rights (e.g., child labor, forced labor, non-discrimination, wages and hours, freedom of association, health and safety), environmental factors (e.g., air quality, carbon intensity, wastewater), and political governance (e.g., corruption, rule of law, transparency). We annually update these metrics to inform our sourcing decisions, prioritizing due diligence obligations and activities.

3. Prioritize and prevent
  - a. Prioritize areas of improvement and selected suppliers to follow up
  - b. Identify measures to prevent, reduce or avoid negative impact

Amer Sports has a third-party audit program to monitor and support suppliers in meeting our standards. We commission third-party audits to help sourcing partners to comply with industry standards, regulations, and our own expectations regarding health and safety, as well as with environmental and social responsibility. In Asia, Europe and the Middle East (EMEA), and the Americas, the number of audits conducted by the end of 2023 represented 99% of total purchases (2022: 97%).

Amer Sports has been a member of the internationally recognized Fair Labor Association (FLA) as a Participating Company since June 2020. The FLA is a collaborative effort aimed at improving workers' lives worldwide and creating lasting solutions to combat abusive labor practices. The FLA offers tools and resources to companies, conducts due diligence through independent assessments, and advocates for greater accountability and transparency of companies, manufacturers, factories, and others involved in global supply chains.

### Training

Amer Sports provides training to its own employees on the essentials of the Code of Conduct. Every Amer Sports employee is responsible for their own behavior, acting with integrity, and observing the highest standards of business ethics. All Amer Sports employees are required to take part in a mandatory Code of Conduct training. The Code of Conduct is available in 16 languages and the Code of Conduct e-learning program in 15 languages. In 2023, Amer Sports conducted group-wide Ethical Policy training to its own employees to increase awareness of key principles of the Ethical Policy and help people recognizing elements connected to human rights, e.g. child labor, any forms of forced labor and modern slavery.

### Grievance process and external feedback channel

Amer Sports has implemented a grievance-handling procedure using multiple anonymous channels to manage grievances from external third-parties or individual workers regarding working conditions. Complaints are analyzed to inform our program improvements and capacity-building training opportunities for suppliers.

Amer Sports provides direct feedback channels for supplier employees. If there is a violation of any standards of the Ethical Policy, employees are encouraged to bring issues to Amer Sports' attention by emailing to [vsl@amersports.com](mailto:vsl@amersports.com) in English or their native language. Amer Sports will keep all information strictly confidential. Employees shall be free from retaliation because of issues raised.

Amer Sports has a whistleblowing channel, which is a confidential and anonymous reporting line operated by an external partner WhistleB, and available to external stakeholders at [www.amersports.com/reporting-a-violation](http://www.amersports.com/reporting-a-violation).

4. Prepare KPI and report
  - a. Prepare KPI for measurement and surveillance over time
  - b. Finalize report on the Norwegian Transparency Act for the enterprise

The data used is the enterprise' supplier register, supplier transactions as well as global risk indicators<sup>1</sup> for violations of human rights, violations of decent working conditions, violations of economic and tax legislation and the maturity of national environmental policy. The analysis further looks at current guidelines, routines and procedures the company has in place to be able to map, carry out, measure, evaluate and follow up potential negative impacts for the company, suppliers and business relationships.

#### Tracking the progress

The Amer Sports Vendor Sustainability team regularly monitors public sources and internal reporting channels for any reports related to modern slavery practices in our business and supply chain. Amer Sports tracks the effectiveness of implementation of all the actions taken to cease, prevent and mitigate adverse impacts in its supply chain. Social and labor audit scores and number of critical issues (related to forced and child labor but also others) are part of the suppliers' scorecard to be reviewed every month under the Amer Sports global sourcing function. Amer Sports provides information about the progress of the audits, our targets and

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<sup>1</sup> Social indicators: 1. The ITUC Global Rights Index 2. Working poverty rate 3. Proportion of population covered by social protection floors/systems 4. Proportion of women in senior and middle management positions 5. Proportion of informal employment in total employment by sex and sector (%) 6. Proportion of youth (aged 15-24 years) not in education, employment or training 7. Proportion of children engaged in economic activity 8. Non-fatal occupational injuries per 100 000 workers 9. Level of national compliance with labour rights (freedom of association and collective bargaining) based on ILO textual sources and national legislation. Governance indicators: 1. The Corruption Perceptions Index (CPI). Environmental indicators: Total GHG intensity

related key findings in the supply chain compliance program on our sustainability report which can be found at <https://www.amersports.com/sustainability/reports/>



### 3. Amer Sports Norge AS

#### 3.1 Introduction to business activities

Amer Sports Norge AS (from now on Company) operates under the umbrella of Amer Sports, Inc., a global group renowned for its diverse portfolio of sports and outdoor brands, including Arc'teryx, Salomon, Wilson, Peak Performance, Atomic, Armada, ATEC, DeMarini, EvoShield, Louisville Slugger, and Luxilon.

Amer Sports range of apparel, footwear, and technologically advanced sports equipment serves as a beacon of inspiration for consumers, encouraging healthier and more sustainable lifestyles.

Aligned with rich heritage and strategic vision, Amer Sports' Strategy for 2025 is delineated by three core pillars:

- **Winning brands:** By continually enriching the consumer experience and fostering vibrant communities, Amer Sports brands shine as beacons of excellence.
- **Consumer first:** Guided by an unwavering commitment to consumer satisfaction and propelled by direct-to-consumer (DTC) initiatives, Amer Sports brands seamlessly engage with Company's audiences across digital and physical platforms.
- **Sustainable results:** Striving to be a catalyst for positive change, Amer Sports endeavour to cultivate a culture of sustainability that propels towards enduring success.

Amer Sports expansive product portfolio encompasses sports equipment, apparel, footwear, and accessories tailored to a diverse array of activities, including tennis, badminton, golf, football, soccer, baseball, basketball, alpine skiing, snowboarding, cross-country skiing, cycling, trail running, and hiking.

#### 3.2 Business management and organisation

Amer Sports was established in 1950 with headquarter in Helsinki, Finland. Amer Sports global community of 11,400 people operates in 41 countries, and its revenue totalled \$4.37 billion in 2023. Amer Sports, Inc. shares are listed on the New York Stock Exchange.

Amer Sports Norge AS, established in 1981 and officially registered in the Entity Register in 1995, has emerged as a prominent player in the Norwegian market. As a subsidiary of Amer

Sports Holding GmbH, the company operates under the umbrella of a globally recognized entity. With Amer Sports Holding GmbH owning 100 % of the shares, Amer Sports Norge currently employs 113 committed individuals.

### 3.3 Introduction to guidelines and policies

Amer Sports Norge AS implements a comprehensive set of policies and practices prepared at the group level that are aimed at fostering responsible business conduct.

These policies and procedures include:

- Code of Conduct
- Ethical policy - Supply Chain Code of Conduct
- Social and Environmental Compliance Benchmarks
- Material Compliance Policy
- Anti-Bribery and Anti-Corruption Policy
- Data Protection Guidelines and Information Security Policy

While the Company adheres to these policies and routines, it must be noted that it does not possess direct control over the content of these documents. Consequently, the selection of suppliers, all purchasing agreements and associated follow-up actions are exclusively managed internally at Amer Sports Norge.

Furthermore, Amer Sports Norge recognizes the importance of ensuring the well-being and safety of its employees, as well as adhering to all relevant legal requirements in Norway. The Company is currently in the process of crafting a tailored personnel handbook and Health, Safety, and Environment (HSE) handbook. Through the development and implementation of these tailored handbooks, Amer Sports Norge reaffirms its commitment to upholding the highest standards of ethical conduct, legal compliance, and employee welfare in all areas of its operations within the Norwegian laws and regulations.

## 4. Due Diligence

### 4.1 Account of Due Diligence

Amer Sports Norge AS has carried out a Due Diligence assessment in accordance with § 4 of the Norwegian Transparency Act and accounts for the Due Diligence in accordance with § 5.

The Company has carried out an analysis of suppliers for 2023 based on global risk indicators on human rights, working conditions, climate and environment, as well as corruption. Out of a total of 344 suppliers, six originate from a country classified as medium-risk, while one comes from a high-risk country regarding infringements on fundamental human rights and decent working conditions.

As there are a number of less significant suppliers and single-purchase suppliers, the Company has prioritized the suppliers that account for minimum 80 % of total purchases as well as international suppliers for the Due Diligence. In total, 72 suppliers have been subject to Due Diligence for 2023. Amer Sports Norge AS has conducted visual supplier inspections for 40 % and manual inspections for 21 % of the prioritised suppliers.

### 4.2 Findings and actions

As a part of the Due Diligence, all prioritized suppliers and business relations have been subject to a risk assessment carried out by the Company. All prioritised suppliers, along with their value chain, have been assessed towards violations of fundamental human rights and decent working conditions, and nine have been assessed with a middle risk. Amer Sports Norge AS has no knowledge of any actual or potential adverse impacts on human rights or decent working conditions in the company's operations, products or supply chain.

In 2024, Amer Sports Norge will send supplier declaration to 65 of its most significant suppliers to ensure that they act in line with Company's general principles on basic human rights and decent working conditions.

Amer Sports Norge will continue with its already established supplier control as it is deemed sufficient to assess risk in our current supply chain. We will consider updating existing routines and procedures in the event of significant changes in our supply chain, such as an increase in the share of high-risk suppliers. No further measures are sought for 2024.

## 5. Contact information

For more information on the Norwegian Transparency Act for Amer Sports Norge AS, please contact:

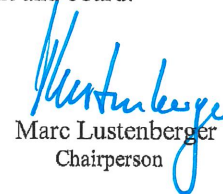
Name/role of contact person: Pia Minken/Office Manager  
E-mail: pia.minken@amersports.com

### 5.1 Signature by Management and Board


The report is read and approved by the Company's management and board:



Peter von der Fehr  
Boardmember



Marc Lustenberger  
Chairperson



Armin Georg Fuchs  
Boardmember