



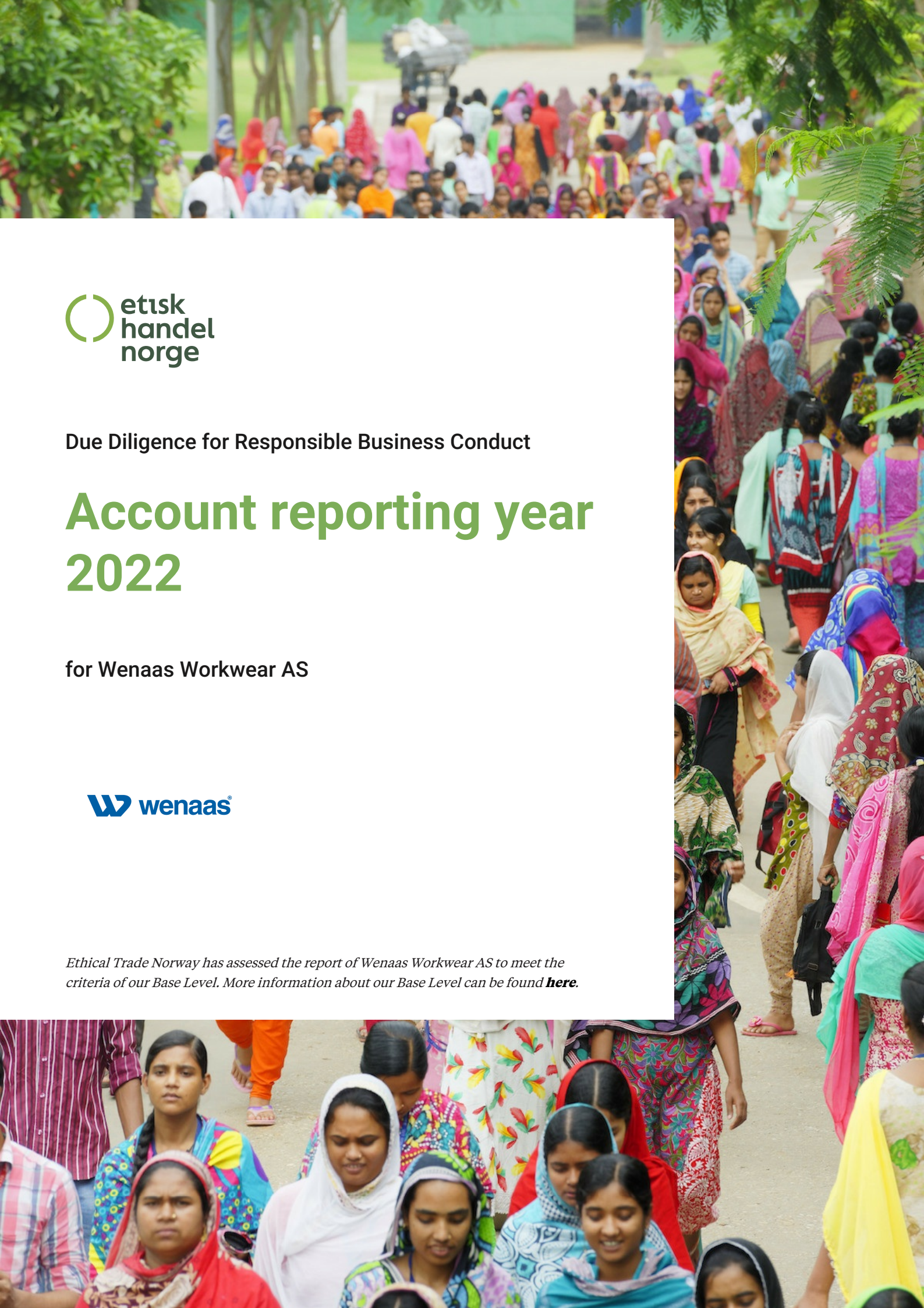
Due Diligence for Responsible Business Conduct

Account reporting year 2022

for Wenaas Workwear AS



Ethical Trade Norway has assessed the report of Wenaas Workwear AS to meet the criteria of our Base Level. More information about our Base Level can be found [here](#).



SUSTAINABLE DEVELOPMENT GOALS



To Readers Of The Report

Business and the public sector have a great impact on people, society, the environment, and animals and can both contribute positively to development, or negatively by causing harm. Businesses therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs).

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

Responsible business conduct is the systematic effort that businesses do to identify, prevent or mitigate adverse impacts and explain how they manage their risks of negative impact to people, society, and the environment as well as provide remediation where this is required. Norwegian authorities expect all businesses, regardless of their size, to carry out due diligence in accordance with the UN's Guiding Principles for Business and Human Rights (UNGP) and OECD's Guidelines for Multinational Enterprises. This applies to businesses, the public sector, and organisations.

Ethical Trade Norway's Declaration of Principles (our Code of Conduct) covers the areas of decent work, human rights, environment/climate, anti-corruption, and animal welfare. This report is done in full transparency and in line with UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

Heidi Furustøl

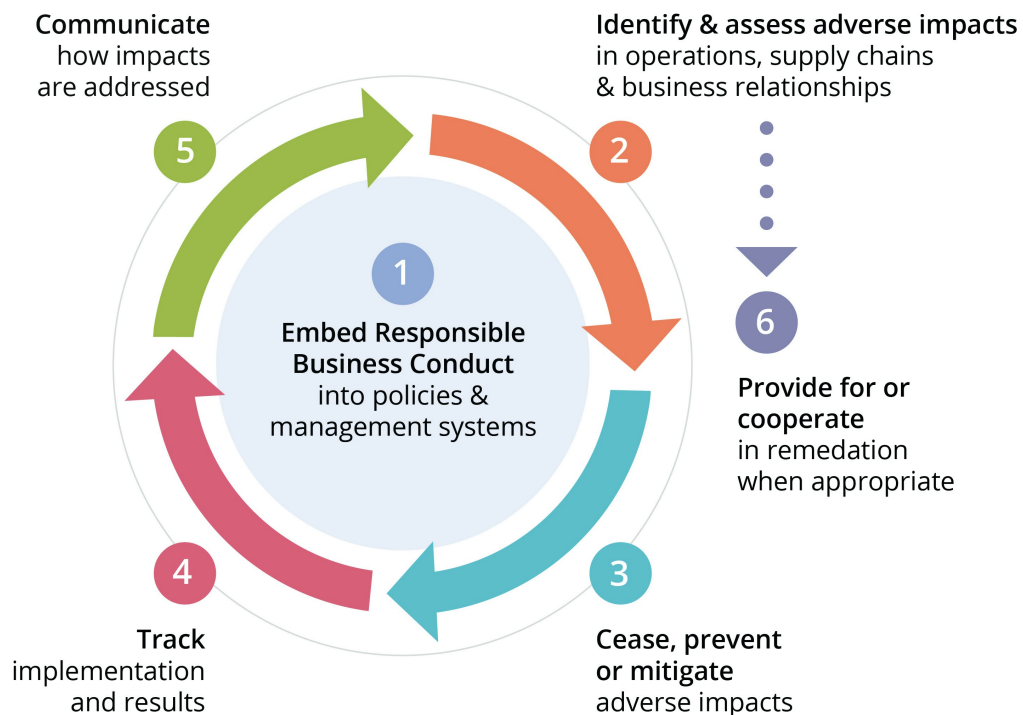
Executive Director

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

Since 1931 Wenaas has been making workwear and personal protective equipment for women and men in a variety of sectors, with the aim of making their working day secure and more comfortable. We know that our products can mean the difference between loss of life and survival, and we have never compromised in our product development. It is therefore our history and commitment to sustainability that makes us proud to be a member of Ethical Trade Norway.

Our focus will be on improving transparency, a catalyst between sourcing and suppliers.

Ethical Trade Norway provides a reporting platform, for our overall sustainability ambitions and progress to be measured. Wenaas employees are innovative, competitive, and committed to continual improvement in hitting the companies ESG stated goals, and being amongst the best in this endeavor. The Wenaas approach will be holistic towards Risk Management, Climate Action and Social Governance - responsibly addressing due diligence while seeking to protect human rights and working conditions.

ISO certification standards, together with internal and external collaboration, will be arranged by partners such as Sintef, RI.SE, Amfori BSCI, Ethical Trade Norway, Fairtrade, and others in forms of developments, workshops, and seminars. These different kinds of collaboration forums are important for driving sustainable development commitments for Wenaas, but also for promoting valuable and smart solutions in the industry we operate in.

I am proud to represent the team at Wenaas pursuing the ESG and Ethical Trade Norway initiatives, I am also optimistic for our children and humanity's future.



Katrine Wold Deunk
CEO Wenaas Workwear as

Company information and business context

Key company information

Company name

Wenaas Workwear AS

Head office address

Bruasetvegen 122, 6386 Maandalen, Norway

Main brands, products and services offered by the company

Complete range of work clothes, uniforms, footwear, and personal protective equipment.

Description of company structure

Wenaas Workwear AS (now called Wenaas) was founded in 1996, but originally originated from Sigmund Wenaas Clothing factory, which was established in 1954. Wenaas has over 100 years of industry experience and is an international leading supplier of top-to-toe safety solutions. Wenaas is growing on the domestic market and internationally. We are present in Sweden, Denmark, Netherlands, Scotland, and Singapore. Our head office and warehouse are in Maandalen in Norway, and we have Sales offices over the entire country with stores also located in Stavanger and Oslo. Wenaas produces and distributes work clothing, gloves, shoes, and safety equipment for e.g., to oil & gas, heavy industry shipping and the utility segment.

Our product group portfolio varies and are within flame retardant, rescue, PPE, visibility, safety shoes, construction, food industry and customized sewing. We are Norway's largest supplier of Heavy Workwear and a 35% market share within Workwear (incl. gloves), Uniform 35-40% and Safety Shoes 20%. PPE, none inhouse development, only merchandised from 3rd parties (3M, Sundstrøm, MSA etc.). Our products are developed in Norway in close consultation with end users and designed for Norwegian and international conditions. We design, develop, and deliver uniform solutions to a wide variety of companies, ranging from railway, postal service, retail companies to hotel chains. We also supply the Police, Military and Security companies. Our main objective is to dress and protect people at work.

In total we are to date 141 permanent employees spread over 6 countries - 124 in Norway (HQ), 2 in Denmark, 3 in Sweden, 6 in Netherlands, and 6 in Aberdeen. The management group consists of 5 people - CEO, CFO/HR, Supply Chain Director, Sales & Market Director, and IT & Operation Director. Wenaas has 12 departments distributed to 4 reporting lines:

- Sales, Market and WMS /Customer Service departments reporting to Sales & Marketing Director.
 - Product Development, Sourcing, Purchasing and ESG departments reporting to Supply Chain Director.
 - HR and Financials departments reporting to CFO.
 - Operations, Logistics, and IT departments reporting to IT & Operation Director.
-

Turnover in reporting year (NOK)

698 000 000

Number of employees

141

Is the company covered by the Transparency Act?

Yes

Major changes to the company since last reporting period

N/A - first time report.

Contact person for the report (name and title)

Sustainability and ESG Manager - Charlotte Schrader

Email for contact person for the report

charlotte.schrader@wenaas.no

Supply chain information

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

Wenaas operates with a dual sourcing practice and has a diverse range of portfolios represented by suppliers globally. Dual sourcing strategy factors are crucial for Wenaas to consider building resilience and nimbleness into our supply chain, something that the recent pandemic highlighted. Our innovative and development skills for our products are to foster growth, to be competitive, safeguard our flexibility, ensure high quality, and to seek new solutions and opportunities when sourcing suppliers globally. Wenaas suppliers and partners are represented in Asia, South-Africa, North America, USA, and Europe.

Our procurement model is built on buying directly from the supplier (Tier 1). Wenaas purchases goods directly from the manufacturer and has contact with the factories on own brand. For 3rd part suppliers, we purchase directly with the producer for these brands. PPE category in Wenaas is 100% contracted through brand owner producers.

Before entering a partnership, all suppliers undergo a screening to see that they comply with our minimum requirements regarding ethical and environmental business practices. All suppliers are evaluated internally by their own data, RFI, questionnaires, accreditations, certificates, and company information provided. In general, this is our sourcing practice throughout our supply chain and is important to us to track supplier compliance on all our key areas from anti-slavery and child labor to full sustainability, environmental and corporate governance. Our own brand suppliers are also evaluated by any 3rd party to provide us with transparent information across the company, especially addressing how they treat their workers. We do understand that due diligence cannot be covered by an audit, however we believe that taking a proactive approach to identify and mitigating our potential risks will ensure that we build long-term supplier relationships.

All suppliers are addressed with the same active approach, opportunities, challenges and concerns we might have. We believe we have clear and consistent communication built for ideas and honest feedback. Wenaas operates with trust and never overpromises our suppliers and acts with fairness. To this extent our supplier diversity groups listed below contributes to continuing to create sustainable economic growth, our buying influence and responsibility.

A-Strategic: raw material and/or finished product. Close and long-term relationship to the supplier through developments and complexity to change to the market needs, including sustainable growth and circular thinking in our value chain. Creating business growth opportunities and targets to monitor and communicate progress. 1-2 meetings per year and if workable a minimum one is at the suppliers' sites. In 2022 this category makes up for 58% of our spend and with a breakdown of 72% Wenaas Brand and 28% 3rd part.

B-Tactical: products that are not strategically at the same level as group A, however important of market positioning. 1 meeting per year, and location to be decided depending on the project. In terms of sustainability these suppliers are also to act with transparency of their manufacturing operations, sites, and materials. Company profiles complying with national and international guidelines and how their SDGs are being embedded into their cooperate strategies and how they address their challenges and sustainability development. In 2022 this category makes up for 27% of our spend and with a breakdown of 30% Wenaas Brand and 70% 3rd part.

C-Complementary: products that are not necessarily standard items in stock. These suppliers are used on few products, typically for short-term contracts. Building a health relationship to allow for feedback and ideas between us and engaged within sustainable improvements of operations in the supply chain. Meetings when needed depending on the project. In 2022 this category makes up for 15% of our spend and with a breakdown of 28% Wenaas Brand and 72% 3rd part.

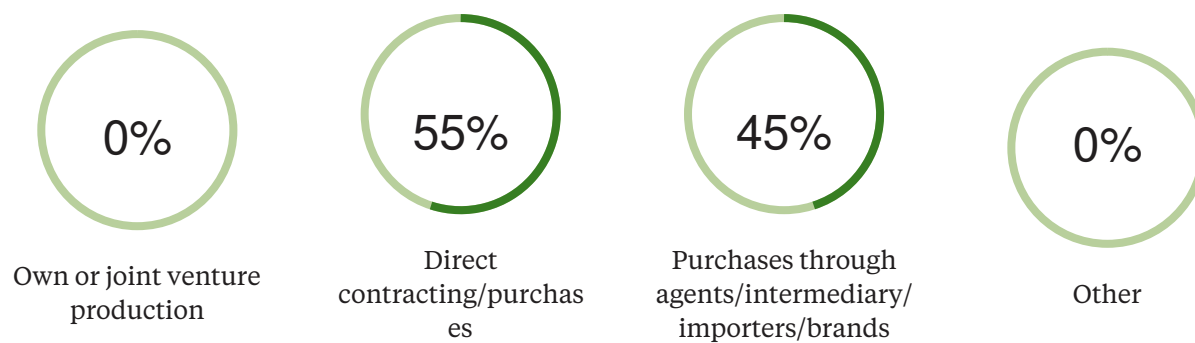
Number of suppliers with which the company had commercial relations in the reporting year

133

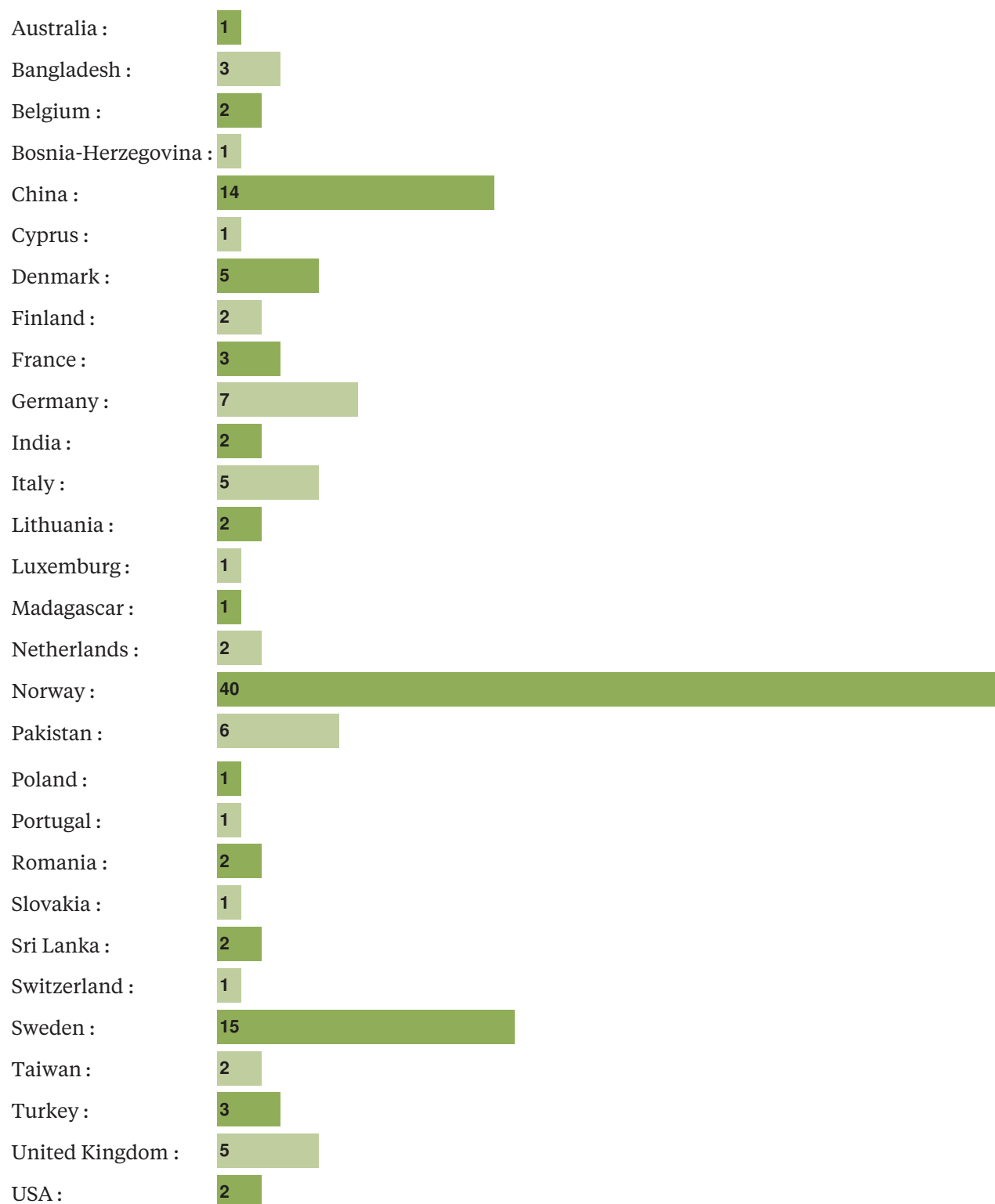
Comments

The number of Tier 1 suppliers whereas 33 producers represent Wenaas brand, 100 are 3rd part suppliers.

Type of purchasing/ suppliers relationships



List of first tier suppliers* (producers) by country



List of Tier 1 suppliers by country are according to Wenaas brand and 3rd part brand owner's factory information of where the goods are completed.

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

19 855

Number of suppliers this overview is based on

30

Numbers of workers per supplier (calculated average)

662

Comments to number of workers

The information on numbers of workers has been collected from Amfori BSCI audit reports and Self-Assessment Questionnaire (SAQ) to help us understand business priorities related to producers social and environmental standards in our own brand factories.

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

Polyester	China India Madagascar Pakistan
Cotton	Bangladesh China India Madagascar Pakistan
Wool	Australia Uruguay
Leather	Italy Pakistan
Nylon	China
Modacrylic	Portugal
Nitril	Sri Lanka
Polyuretan (PU)	China Italy Sri Lanka
Polyvinylchloride (PVC)	The European Union

98% of Wenaas fabrics are 100% OEKO-TEX and sourced through fabrics suppliers.
Trims and packaging are excluded from the list.

Is the company a supplier to the public sector?

Yes

Goals and progress

Process goals and progress for the reporting year

1

OUR SOCIAL TARGETS AND PERFORMANCE 2022:

- Goal :**
- Initiatives to support ethical trade at the heart of Wenaas by membership of Ethical Trade Norway in our supplier chain. Signed member of Ethical Trade Norway feb. 2023.
 - ISO 9001:2015 - Quality Management System (QMS). Commitment and setting specific requirements for assessment of suppliers and our procurement process. Continuous improvement measured by yearly audit.
 - Supplier compliance guidelines – updated and implemented. Emphasis the importance to ensure quality and safety in our supply chain.

Status : 100% commitment.

2

- Goal :**
- Supply chain mapping. Identifying risk by preparing screening evaluations for strategic and tactical suppliers on own brand production. Total direct spend covered by sustainable solutions by Amfori BSCI assessments (SA or SMETA).

Status : 80%

3

- Goal :**
- Transparent supply chain cooperation showing all components on own brand – from raw fiber, spinning, trims, accessories, dying and production (PLM).

Status : 75%

4

OUR ENVIRONMENTAL TARGETS AND PERFORMANCE 2022:

- Goal :**
- Sustainable management - anchored our environmental goals.
 - ISO 14001:2015- External Management System (EMS). Environmental performance to reduce our waste, pollution, and energy consumption. Continuous improvement measured by yearly audit.
 - Restricted Substances List (RSL) to ensure quality, safety, higher climate standards in our supply chain - updated and implemented.
 - 100% zero waste HQ (trash and food).

Status : 100% commitment.

5

- Goal :**
- On customer request (SPAR) achieved sustainable certification FAIRTRADE.

Status : The FAIRTRADE Cotton Mark

6

Goal : 100% OEKO-TEX® fabric certified fabrics (own brand).

Status : 98%

7

Goal : Waste and energy (CO2) - use of renewable electricity (energy recovery, material recycling & biogas).

Status : 40% energy, 58% material, 2% biogas

8

Goal : OUR GOVERNANCE TARGETS AND PERFORMANCE 2022:
• ISO 9001:2025 – Quality Management. Achieving continuous improvement.
• Membership collaboration with 3rd party partners - Amfori BSCI and Ethical Trade Norway.
• Industry collaboration with 3rd party partners - ISO-standards, SINTEF, Mepex, RI.SE (REACH), OEKO-TEX®, Norsk Industri Teko, Grønt Punkt Norge, RENAS, Fretex et. al.

Status : 100% commitment.

Goal for coming years

1

OUR SOCIAL TARGETS AND PERFORMANCE 2023:

• Increase focus on compliance issues (CAP reports by Amfori BSCI) – especially social management system, and decent working hours in China.

2

• Start dialog on addressing freedom of association and collective bargaining in China factories.

3

• Investigate possibility to apply for ISO 45001:2018 - guidance on equal growth and development opportunities for all genders.

4

• Build our knowledge base to identify key actions towards addressing gender gaps. The goal is to create equal growth and development opportunities for all genders in our supply chain.

5

• Open online supplier list (1st Tier).

6

• Health, safety, and integrity of all Wenaas employees. Roll out an overall The Cotton Group Code of Conduct, E-

leaning, and Whistleblower. The e-learning site will include the code of ethics and business conduct, specific guidelines, and e-learning training material.

7

OUR ENVIRONMENTAL TARGETS AND PERFORMANCE 2023:

- Sustainable development of material info. awareness online, on product portfolios and packaging/tags, to include:
- Maximize a product's lifecycle - "Take care" of your product, including VAS program.
- Own sustainable symbol = shown less environmental impact + >50% of product is mono material.
- Increased FSC-certified paper on packaging, tags, labels, and stickers.
- Reduce plastic packaging and move over to recycled content on our polybags (HDPE & LDPE).

8

- Increase transparency from raw materials to production. Investigate how to start to track data on raw materials, waste, and energy in production on own brand (Tier 1 & 2).

9

- Work for OEKO-TEX® STANDARD and OEKO-TEX® Made in Green on high-profile and critical products.

10

- Replace conventional cotton with Better Cotton Initiative (BCI).

11

- Replace virgin polyester with Recycled Content Standard (RCS).

12

- Consider 3rd party certifications for Global Recycled Standard (GRS), Responsible Down Standard (RDS), Responsible Wool Standard (RWS) and Organic Content Standard (OCS) on specific B2B requests.

13

- Require documentation for mulesing free merino wool and leather to increase animal welfare.

14

- Search for digital product passport (DPP) possibilities with sustainability and traceability data throughout the products life cycle to reduce risks.

15

- Investigate biodiesel and electric transportation (inbound and outbound).

16

OUR GOVERNANCE TARGETS AND PERFORMANCE 2023:

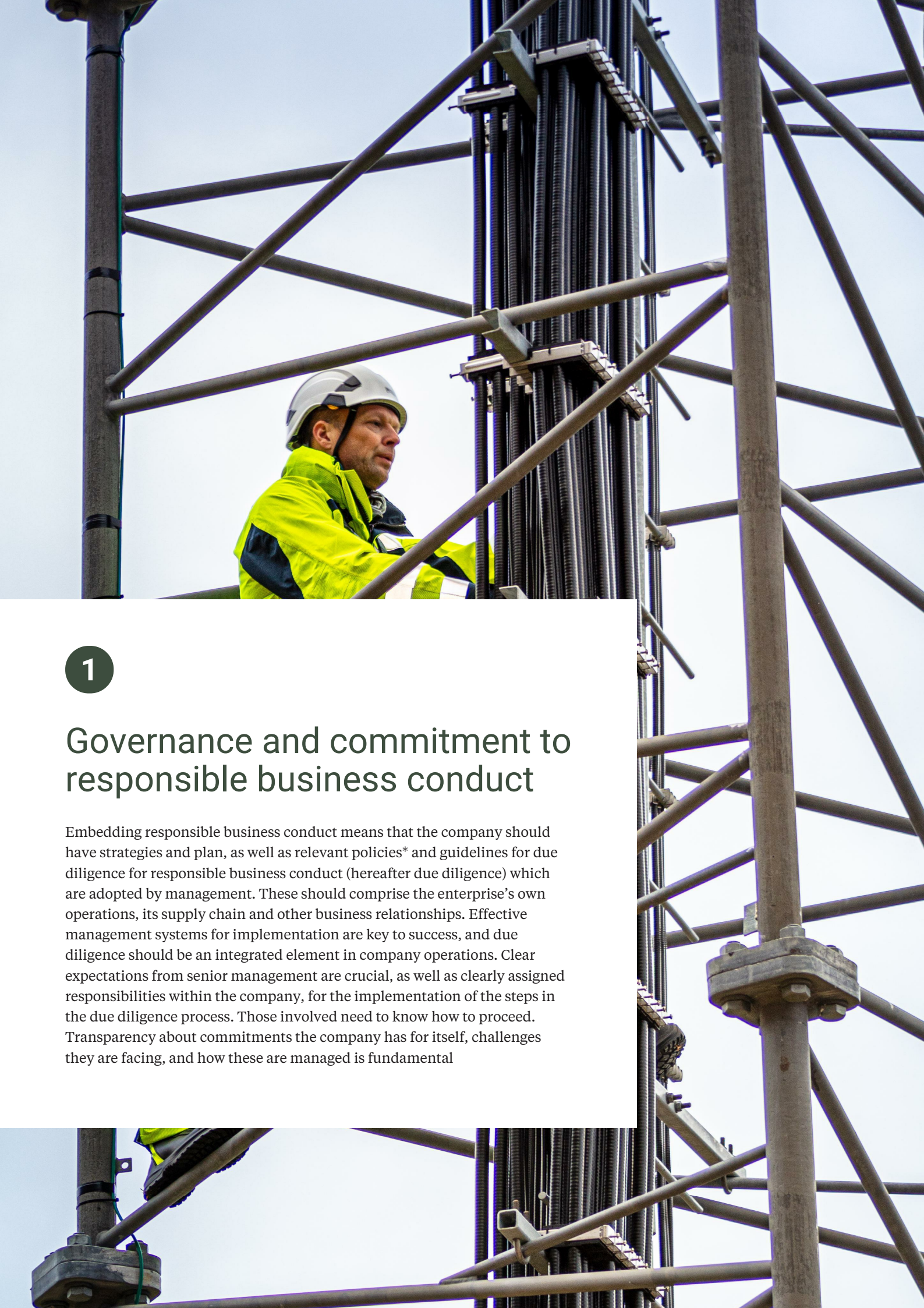
- Going beyond obligatory compliance with legal and customer-specific requirements by boosting ESG purchasing to meet higher quality of the products. Focus to comply to meet financial and sales goals through our sustainable performance.

17

- Integrated reporting - Scope 1, 2 and start to map scope 3.

18

- Combining our business and increasing collaboration with our suppliers, partners, and NGO's.



1

Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the company should have strategies and plan, as well as relevant policies* and guidelines for due diligence for responsible business conduct (hereafter due diligence) which are adopted by management. These should comprise the enterprise's own operations, its supply chain and other business relationships. Effective management systems for implementation are key to success, and due diligence should be an integrated element in company operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the company, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed. Transparency about commitments the company has for itself, challenges they are facing, and how these are managed is fundamental

1.A Policy* for own business

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

<https://www.wenaas.com/nb-no/om-wenaas/samfunnsansvar>

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

Everything we do in Wenaas is focused on protection and taking responsibility. We understand that our company has environmental and social impact that exceeds far beyond the company itself. As a market leader in workwear and protective clothing, we make high demands on ourselves and work actively to implement improvements.

In addition to seeking out improvements within our own organization on an ongoing basis, we also make demands to our suppliers. All our suppliers and partners we work with have signed a Code of Conduct (CoC) that sets out rules and regulations for how to respect employees and the environment. In this context, we take a zero-tolerance approach to forced labour and to child labour. We also insist that our partners respect the freedom to organize, equal opportunities and fair, statutory pay, fixed working hours, a safe working environment, and legally binding working conditions; and we follow up to make sure that all obligations, laws, and regulations concerning social security are respected. Violation of the CoC and unwillingness to improve will give Wenaas the right to terminate the contract.

Corporate social responsibility in production of workwear and personal protective equipment:

- We meet all requirements and standards set out by the UN's labour organization, the convention on the rights of the child, and the ILO convention.
 - The fabric materials used in various models of work clothes are certified according to the OEKO-TEX® STANDARD.
 - We are also certified in accordance with the ISO 9001:2015 and ISO 14001:2015 standards for quality management and environmental management.
 - We abide by the requirements of REACH – the EU regulations concerning chemicals imported into the EU/EEA.
 - Our ESG program is comprehensive, and we do everything possible to make sure that all production of workwear and personal protective equipment is carried out under sustainable conditions that withstand inspection.
-

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

The policies and commitments to responsible business conduct have been developed for several years and these overall goals are anchored by management before they are implemented in the value chain and throughout the departments. The procurement of textiles, footwear and PPE is an important consideration when setting sustainable goals, now more than ever. Our policies illustrate some key steps to make our supply chain more sustainable from manufacturing to distribution and use.

Internal training and sales meetings will also support these commitments. Everything we do at Wenaas is centered around protection and responsibility. We are very aware that our business has environmental and social impacts far beyond the company itself. As a market leader in workwear and protective equipment, we set high standards for ourselves, and work with improvement initiatives. The safety of workers will always remain our number one priority. We will continue to innovate ourselves and develop new solutions to deliver optimal protection to our customers and improve our sustainability. Wenaas commits to sustainable development as defined by the UN Guidelines for Business and Human Rights and by the OECD Due Diligence Guidelines Responsible Supply Chains in the garment and footwear sector to contribute to Textiles 2030 targets, and continuously works to be in line with the Paris Agreements on climate change.

Through the UN SDGs, Wenaas will inspire and contribute value to customers, employees, suppliers, and partners to take sustainable choices. By integrating sustainability into our core business and embedding targets across departments and functions, we believe this is the way to succeed towards addressing these goals. In our strategy we have a commitment to support:

- * 8th UN goal – “Decent Work and Economic Growth”
 - * 10th UN goal – “Reduce Inequalities”
 - * 12th UN goal – “Responsible Consumption and Production”
 - * 13th UN goal – “Climate Action”
 - * 17th UN goal – “Partnership for the Goals”.
-

1.B Organisation and internal communication

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

The Sustainability & ESG Manager reports directly to the Supply Chain Director on responsible business conduct. Master data Manager quality assures supply data and information towards supplier. Product Development, Sourcing and Purchasing departments work closely with following up our sustainable goals in our supply chain and report directly to the Supply Chain Director.

Five dedicated Product Managers are responsible for sourcing and development within their defined categories (Textiles, Footwear, Gloves, PPE, and Fabrics & Trims). The product development department is a teamwork of in total ten people and split into certifications, designing, tailoring and product development areas. To secure demands six purchasers work closely together with each of their respective product managers.

Organized in this way predicts dilemmas and secures information internally on supplier decisions, risk assessments, purchasing planning and practices on our standards and principles. Throughout 2023, the Sustainability and ESG Manager will continue to work closely on due diligence work and track down the impacts of sustainability efforts Wenaas has planned to ensure our goals are achieved.

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?

Together with Sourcing Chain Director the Sustainability and ESG Manager will continuously follow-up information towards internal stakeholders and management on due diligence work within the supplier chain. To address these topics our ESG strategy has set targets and performance goals in a short- and long-term perspective. All employees in Wenaas receive clarified job descriptions and training programs are implemented to increase awareness within their working field.

Throughout 2023 product and sourcing departments will go through improved sustainable practice courses by Ethical Trade Norway to understand deeper the impact we have in our supplier chain. Sales departments will receive customized training and information to address sustainable awareness and increase their competitiveness in a professional way. The intention of this approach is to continue to meet our customers' expectations of high quality and trust and to maintain a safe, environmental standard in the production of our products.

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

ISO certifications standards and internal and external collaboration will be arranged by partners such as Sintef, RI.SE, Amfori BSCI, Ethical Trade Norway, Fairtrade, Norsk Industri Teko and others in forms of developments, workshops, and seminars. These different kinds of collaboration forums are important for driving sustainable development commitments for Wenaas, but also for promoting valuable and smart solutions in the industry we operate in.

To deliver on safety and safeguard the health of everyone, Wenaas has clear expectations towards our employees and suppliers on how to work together for openness, with consistency, efficiency and to promote transparency at all stages of our value chain for the products we produce and purchase. Building a long-term partnership with our suppliers and partners allows and provides improvements. We believe that mutual commitment, clear communication, and strong and trustworthy cooperation are some of the key factors to our success. Throughout 2023 we will be continuously focusing on adequate competence to work on due diligence for responsible conduct in our supplier chain.

1.C. Plans and resources

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

During Q1/2023 Wenaas identified potential sustainability issues directly relevant to our organization's value chain through a material analysis. The result is a visual representation of Wenaas Environmental, Social and Governance (ESG) priorities and targets in a short- and long-term sustainable roadmap. Our ESG strategies are defined and linked to the United Nations Sustainable Development Goals (SDGs). We believe that these integrated SDGs go across the environment, society, and the economy and together with our sustainable commitment we are moving in the right direction for a better future. Engaged with a strong social supplier commitment and through our own operations in collaboration with others, we are convinced that great results will be achieved.

In a time with rapid changes, where ESG is now current and very real, the overall ambition for Wenaas starts by incorporating our commitment by:

1. Wenaas will continue to offer professional knowledge where sustainability is at the core of our operations. Our ESG strategy includes strictly environmental and social targets by 2027.
2. Wenaas will yearly review our due diligence and follow up that suppliers and business partners comply with our terms and conditions before entering a collaboration.
3. Wenaas will be a part of achieving the Paris agreement where its goal is to limit global warming to 1.5 °C target and reduce Co2 emission by 45% (to 2010 levels), reaching net zero by 2050.
4. Wenaas will mitigate risks and increase brand image within all portfolios. We believe sustainability programs are strongly correlated with good financial performance but at the same time also play a role in creating it.
5. Wenaas will capture opportunities and to get ahead and stay ahead of the competition today and tomorrow.

Our sustainability vision:

“Taking responsibility, being transparent and trustworthy. Fulfilling the needs of current and future generations, while ensuring a healthy balance between both positive and negative impacts Wenaas has towards economic growth, the environment and social well-being”.

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

Wenaas board and top management group use their significant position and leverage to deliver on our value proposition to the market. Not only are they involved in the strategic plans and decisions, but they also take action to see that targets are implemented and followed through monthly. Our ESG roadmap is based on long-term commitment to increase our innovation, profitability and promote sustainable value creation – all done in a responsibly produced manner followed up closely by top management and the board.

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

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

Wenaas bases their supply agreements into three categories A-Strategic, B-Tactical and C-Complementary and emphasizes the importance of business relationships. In terms of our own brand production, suppliers' risk is addressed according to the agreement. Beyond that, the suppliers' relationships are based on our market needs. However, we work with the intention of achieving long-term supplier relationships. Our supplier commitment is split it into three categories and for 2022 the outcome for our total business looks like this:

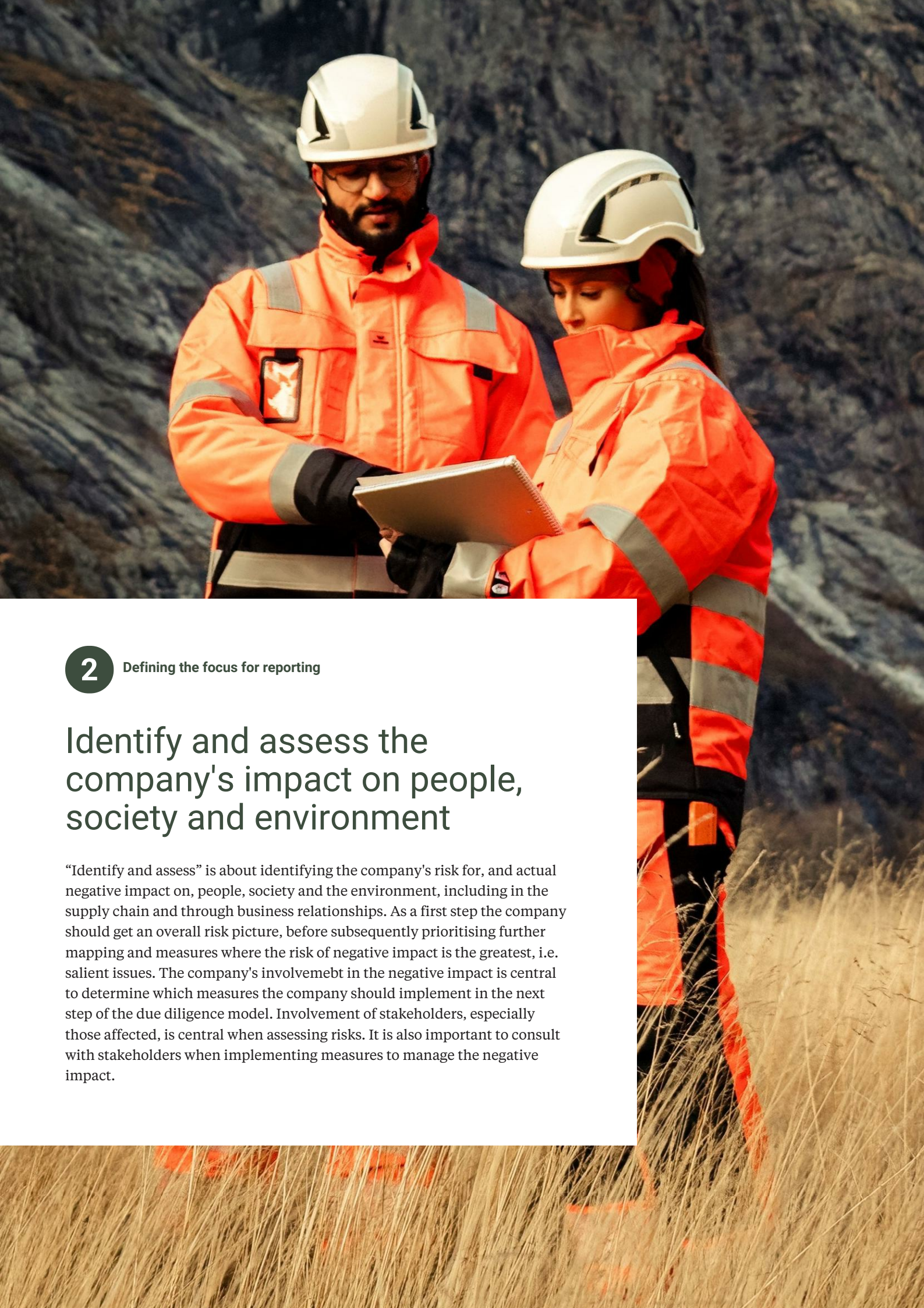
- Long-term relationship (≥10+ years): 50%
 - Mid-term relationship (≥4-9 years): 35%
 - Short-term relationship (≥1-3 years): 15%
-

1.E Experiences and changes

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

The ESG strategy plan has a focus on how to address and continue our responsible business conduct in our supply chain. Policies and procedures are up-to-date and combined with internal and external solutions we believe this will make a significant difference to our sustainable growth. However, collaboration with our key suppliers requires careful planning and openness to our ESG actions. We are fully aware that this is performed with effective two-way communication and by the supplier's trust.

During the Pandemic, Wenaas, like many of our 3rd part companies experienced a challenging situation on the globally supply chain as production was vulnerable to shortage of national lockdown, flow of raw materials, finished goods and disrupting manufacturing. In general, for 2023 and ahead our suppliers and business partners see the willingness to meet our sustainable projects. Together with our suppliers and partners we are convinced that we can challenge climate change by choosing more eco-friendly materials. Increasing transparency for where our products are produced, and under what conditions apply for both Tier 1 and Tier 2.



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 relationships. As a first step the company should get an overall risk picture, before subsequently prioritising further mapping and measures where the risk of negative impact is the greatest, i.e. salient issues. The company's involvement in the negative impact is central to determine which measures the company should implement in the next step of the due diligence model. 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. Take note that the prioritized risk that you list in the table below will be exported to step 3 of this report, where you will be asked to answer how you work with stopping, preventing, or reducing the negative impact.

Salient issue	Related topic	Geography
Health and a Safety workplace	Occupational Health and safety	China India Madagascar Pakistan
Freedom of Association at work	Freedom of association and collective bargaining	China India Madagascar Pakistan
Decent working Hours at work	Working hours	China India Madagascar Pakistan
Discrimination and gender equality at work	Discrimination Harsh and inhumane treatment Regular employment	China India Madagascar Pakistan
Welfare of livestock and working animals	Animal welfare	Australia Italy Pakistan Uruguay

Chemical management, Eco friendly materials and certifications	Environment Greenhouse gas emission Energy Waste Water Use of materials	Global
--	--	--------

The salient issues listed here are based on our salient risks and country risks from our self-assessment questionnaire (SAQ) Q1/2023 and audits. The survey was sent out to all our suppliers, and 60 answered, representing 80% of our total spending for 2022. 91% (30 out of 33) of our own brand suppliers answered the survey. In terms of 3rd-part suppliers, only 30% replied (30 out of 100).

The salient risks listed are based on industry and not necessarily addressed to all our partners and suppliers, however we see that in some countries such as China, Pakistan, and India that we will increase our focus forward on freedom of associating and collective bargaining. For China and Pakistan, we will start to prioritize working hours as we see that overtime is highlighted in our audit reports. Protection again discrimination and harassment, encouraging equality, wages, and social productive improvements are areas we understand are exposed in several Asian countries, and therefore to be kept a strict eye on forward.

In terms of chemicals and the environment, even though we have strict requirements, we have addressed this is a bigger topic we as a single company can address alone, and therefore prioritized as a global problem. We believe that salient issues are an ongoing priority in our daily work to reduce negative risk on people, society, and the environment.

DETERMINATION OF SALIENT ISSUES

2.A.2 Describe: a) the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period: b) eventual aspects of the company that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work: c) how information was gathered, what sources were used, and which stakeholders have been involved/consulted: d) 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.

In 2015, Wenaas implemented an extensive process to addresses the salient human rights issues, and we will from 2023 annually review these features based on internal and external insights. Our salient issues are recognized where risks to people's human rights and living conditions are greatest and by focusing on our ongoing analysis across our business operations, we follow-up and priorities.

Wenaas Brand stands for 55% of our spend, whereas 44% is related to our textile product group. Over 80% of our major producers are in East and South Asian countries and play an important role in the global textile front. With that said the supply chain in the textile and footwear industry is long and complex, and employees engaged have activities that vary from production of extraction of raw materials to manufacturing. The industry is labor intensive in large parts, and it is why we commit to work for a fair wage and working environment. Due to the complexity of our supply chain, we are concentrating our efforts on our own business operations and manufacturing. The risk assessments are performed on Tier 1 where we have focused on heat maps of labor and human rights. Based on our supplier's performance salient issues are identified and extra attention for improvement is followed through with action plans. To address salient issues deeper, we regularly update and make progress to improve our general understanding of the world through our suppliers, partners, and NGO's.

PPE product group has therefore not been fully covered in this report since this category is 3rd part, contracted and purchased through importer/brands and not developed by Wenaas. Non-commercial goods and service are neither performed due diligence on. We understand that this is a continuous process and development area, and for 2023 we will start mapping Tier 2 on our own manufacturing brand. For 3rd part suppliers we will work for increased transparency in their supply chains on goods we purchase from them. Listed below are our important routines for mapping and identifying risk.

- First prioritization is based on in-house risk knowledge, cross-functional and cross-organizational thinking, and calculated country risk.
- Audit and Corrective Action Plan (CAP) reports.
- Self-Assessment Questionnaire (SAQ).
- Stakeholder initiatives for chemical guidance and lab testing (RI.SE in Sweden, SGS Fimko in Finland and Aitex in Spain).
- Country and sector specific recommendations based on regulation and policy surveillance.
- UN Global Compact - Guiding principles for business and human rights framework.
- OECD Due Diligence Guidance for Responsible Conduct.
- OECD Green growth sustainable development strategy and international studies and frameworks to establish network infrastructure, especially in areas as human rights, energy, water, transport, and communications network.
- Ethical Trade Norway, Amfori BSCI, World Economic Forum, Our World in Data – Human Rights, MVO CSR Risk Check, Swedwatch, DFØ, UN SDGs, Human Rights Index Map 2022, UN Development Program, IPCC Sixth assessment report, The WageIndicator Foundation, BI Senter for sustainability and energy by Per Espen Stoknes and Caroline Dale Ditlev-Simonsen, Johan Rockström at The Stockholm Resilience Centre et al.

ADDITIONAL SEVERE IMPACTS

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

We do understand that a safe workplace does not only mean physical safety, but it is also about knowing that human rights and all fundamental principles and human rights at work are respected. Protecting workers' rights to freedom of association and collective bargaining are important to us, as well as a safe workplace free from discrimination in respect of employment and occupation. And naturally, a safe workplace is free from children and forced labor.

In general, the risks are assessed as lower in Europe, nevertheless we follow our suppliers with the same guidelines and approach to ensure that workers have equal opportunities regardless of the country in which they operate in. Other interesting findings emerged in the survey were that all our suppliers paid premium overtime payment in line with labor law. However, we know overtime is an improvement area to address, especially in China and Pakistan. Other negative findings were that animal welfare was limited to only a few suppliers who had this policy within their management system. The traceability of raw materials and sub-suppliers in our own brand and 3rd part supply chains are also topics to improve.

After our membership with Ethical Trade Norway, we have updated our Code of Conduct (CoC) and implemented several new business policies to increase our responsible purchasing practice. This work is rolled out Q2/2023 to highlight to our suppliers and business partners that not only is this relevant and maintains our integrity in our procurement process, but it also sets out a clear guidance on what is expected behavior in our supply chain forward.

To identify risks on a broader scale we have also made use of salient risk tool and mapped down to product group per supplier producer, per share, per raw material and country. This tool has helped us identify and priorities the salient human risks in our supply chain and put measures in place to mitigate these risks.

As highlighted above, we conclude that our remediation plan continues to address occupational health and safety, freedom of association and collective bargaining, working hours, discrimination, and animal welfare. During Q3/2023 and forward we will therefore monitor more closely all Tier 1 suppliers on own brand production through the Amfori BSCI platform to understand these challenges the factory face to raise their score, and hopefully over time to level B and higher. We will also start addressing Tier 2 in a more structured way to increase transparency on raw materials. In addition, all our Product Managers, Sourcing Managers, Product Developers, Designers and Purchasers will attend courses through Ethical Trade Norway to increase their knowledge and our sustainability work.



3

Management of salient issues

Cease, prevent or mitigate negative impacts

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

3. A Cease, prevent or mitigate

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

Salient issue	Health and a Safety workplace
Goal :	As we are sourcing and producing over 80% of Wenaas Brand in Far East countries there is a higher risk of human rights violation. We need to ensure that our partners and suppliers' workers are represented adequately through our routines, throughout the entire value chain. Our goal is to always promote ethical working conditions, decent work, and increased transparency to provide all workers with secure, safe, and healthy working conditions when producing our products. We believe that respectful supplier negotiations, factory monitoring commitment and practicing ethical trade in our supplier chain prevents violations and ensures respect for human and labor rights.
Status :	To continue to ensure occupational health and safety management system is addressed, we have updated our Code of Conduct (CoC) and procurement policies accordance with Ethical Trade Norway recommendation. During Q2/2023 these contracts are carried out with all our partners and suppliers in Tier 1 in our supplier chain. We see our guidelines, policies, and contracts as tools to set even stricter requirements, foreseeing more transparency, precisely to improve working conditions in our supply chain. General status is done through meetings, SAQs, reports, audits, and factory visits by us, Amfori BSCI, SEDEX etc. Reviewing conditions on Tier 1 in this way gives us a very good basis for prioritizing our work with Tier 2. Something we will start with from Q3/2023.
Goals in reporting year :	N/A – first time report.

Completed measures and reasoning :

Updated and implemented stricter CoC and policies. 92% Wenaas Brand suppliers categorized as our A-Strategi and B-Strategic comply with Amfori BSCI program (score min. C, preferably B or better), SMETA (SEDEX) or other social auditing and reports.

Goals and activities for the coming reporting year :

To ensure health and safety implementation of Wenaas brand production we will continue to improve our ethical business behavior through certifications or through membership of Amfori BSCI. Our aim is 100% of Tier 1 suppliers are subject to compliance audits by 3rd party organizations. After each audit, a report and follow-up plan to be followed-up within the time frame set on the corrective action plans (CAP) and try to understand in depth challenges the factory faces to raise their total score. Improve our internal supplier onsite checklist tool used by Wenaas employees during factory visits. On factory visits check all facilities and accommodation used for our production. Start to map Tier 2 to address risk and relevance. Work according to our ESG strategy 2023. Investigate Ecovadis or similar assessments to measure our supply chain's performance in a broader way within a) environment, b) labor and human rights, c) ethics and d) sustainable procurement.

Salient issue	Freedom of Association at work
Goal :	According to ILO, ACTRAV Bureau for Workers' Activities (J. Visser, 2019), globalization in the past few years has generated millions of industrial and service jobs in the Global South, but it has not created an upsurge in unionization in these countries. Part-time and temporary workers are less unionized everywhere compared to workers employed full-time and with open-ended contracts. Even among workers with standard employee contracts, union rates are usually very low. We believe that all workers must be free to join organizations of their own choice. By addressing the freedom of association at work more openly with our suppliers we will overcome some of the future challenges of integration for the unions. Start cooperation with partners, suppliers and/or other relevant systems/trade unions/organizations to avoid unintended negative impacts and for increase supplier and worker engagement.
Status :	Through our Responsible Business Practices, we continue to monitor our Self-Assessment Questionnaire (SAQ) results to measure and discuss the challenges our suppliers have in terms of this topic.
Goals in reporting year :	N/A – first time report.

Completed measures and reasoning :

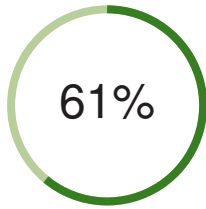
Our focus has been Amfori BSCI auditing on Tier 1 and ensuring that our suppliers are compliant with our terms and conditions. Now for 2023 we have updated and implemented stricter contracts to set a stronger baseline, and therefore it is a natural step forward to start addressing the freedom of association at work more openly with our partners and suppliers.

Goals and activities for the coming reporting year :

We believe that there is a need for increased collaboration to work together by exploring partnerships with companies sourcing from the same suppliers as us from the Amfori BSCI platform. Encourage our supplier's management to have open communication with their workers. Investigate possibility of a step-by-step guide to respond appropriately to the topic.

Indicator

Wenaas Brand suppliers (Tier 1) with Worker Representatives.



2022

18% have Trade Unions.

Salient issue	Decent working Hours at work
Goal :	Our goal is to prevent and address excessive working hours in the supply chain. It is important to us that we deal with our suppliers in a respectful, fair, and lawful way without the need for uncertainty regarding the risks and costs in our production, delivery, and payment. We are ISO 9001 certified, and this has an overall focus on our Quality Management System (QMS). This system provides us with an overall framework and approach that aims for Wenaas to continuously improve our own quality system processes. With that said, we will continue to follow up and understand how our purchasing practices can be improved to minimize our suppliers' use of overtime.
Status :	The ISO 9001 has important quality points that ensure that we only start mass production until the tech-packs and product certifications are approved. Wenaas does not work with collections and timeframes as we order on assignments and specific customer contracts. We have six assortment meetings per year to plan our approximate need for current assortments in the next twelve months. In these meetings our CEO, Supply Chain Director, Sales Director, Key Account Managers, Marketing, Design and Product departments are represented. Orders are placed according to these prognosis and approved lead time in both Europe and Asia.
Goals in reporting year :	N/A – first time report.

Completed measures and reasoning :

Continuously yearly internal quality progress regarding ISO 9001. See if a % of goods can be produced outside of peak season to reduce the pressure on the factories. Monitor and follow up Amfori BSCI audits on own brand suppliers and address the CAP reports for improvement on use of overtime.

Goals and activities for the coming reporting year :

The risk of excessive working hours has especially been identified in China in 2022. The main reasons are yet to be addressed; however, we do know that suppliers overtime depends on order delivery combined with unexpected things happening during bulk such as power restrictions by Chinese government. A reflection to address the problem is that even if Wenaas cannot set guidelines for our supplier's workers' wages, we will continue to source and buy with better conditions and to promote collective bargaining. The reason for saying this is because we believe that through collective bargaining - paying a living wage will be a positive outcome, and overtime will therefore need to be addressed. It's a complex problem but wherever possible, we will encourage dialogue to help to improve our purchasing routines by building a deeper understanding of production, and therefore our supplier workers' conditions. To find a healthier solution for today's use of overtime we also wish to share responsibility for better practices and make these labor standards a core of our sourcing and buying negotiations.

Salient issue	Discrimination and gender equality at work
Goal :	Our goal is to prevent discrimination and increase gender equality at work in our value chain. According to The Decent Work in the Garment Sector Supply Chains in Asia project based on 2016 resolutions by the International Labor Organization (ILO) gender inequality is still common throughout the sector. Wenaas stands behind this project to contribute to improved working conditions and rights of woman and men workers, as well as improved social dialogue, productivity, gender equality and environmental sustainability in the garment sector in Asia.
Status :	As per today we have identified through our Self-Assessment Questionnaire (SAQ) that our own brand production represents 50/50 female and male workers. Statistics show that India's female labor rate is less than 20% as in countries like China over 40% woman participate in the workforce. However, we see some of those specific countries in our survey are unbalanced in gender equality. This result of diversity is interesting to address in our supplier meetings as we believe women's participating more equally in the workplace also tends to capture opportunities from a social perspective too.
Goals in reporting year :	N/A – first time report.

Completed measures and reasoning :

Updated and implemented stricter CoC and policies to prevent discrimination and measures established to protect workers.

Goals and activities for the coming reporting year :

According to ILO woman are paid less than men, have fewer opportunities for advancement, suffer workplace violence, harassment, and discrimination, as well as lack influence at decision making level. Wenaas will continue to monitor our suppliers through Amfori BSCI regarding all 13 performance areas (PA) including no discrimination. We aim to build our knowledge base to identify key actions towards addressing gender gaps and creating decent and productive employment that both are appropriate and accessible for woman workers in our supply chain. We do understand that some of these issues are related to religion and culture, but combating discrimination is an essential part of promoting decent working conditions. Opportunities yet remain to persist gender gaps and decent work for all, and we therefore do our best to play an important role in it by knowledge sharing and seeking progress in a whistleblower scheme to encourage the reporting of violations internally, as well as externally.

Salient issue	Welfare of livestock and working animals
Goal :	Our goal is to ensure that working animals are treated humanely and develop a plan for increasing traceability based on e.g., Responsible Wool Standard (RWS) certification for wool. For leather we will be focusing on increased transparency and documenting animal origin e.g., OEKO-TEX® LEATHER STANDARD, Leather Working Group (LWG) and related certifications to increase animal welfare in all stages of production from tannery to product.
Status :	Our status for 2022 is we buy most of our wool through 3rd part supplier where the wool fiber is documented from Uruguay. For our own brand we have identified that the merino wool raw fiber is from Australia. Leather is from Italy and Pakistan and mainly used in footwear and gloves.
Goals in reporting year :	N/A – first time report.

Completed measures and reasoning :

Updated and implemented stricter CoC and policies to increase animal welfare.

Goals and activities for the coming reporting year :

Our goal for the upcoming reporting year is to use mulesing-free merino wool and that all wool is traceable. For leather we will start to seek known certifications. We believe that communicating this topic, we will together with our suppliers address an awareness and increase our responsible production for animal welfare in the supply chain.

Salient issue	Chemical management, Eco friendly materials and certifications
Goal :	Our goal is to improve our ethical business behavior and reduce our negative impact on the environment in our value chain - especially on use of materials and the Co2 emissions. By choosing environmentally certified fibers and fabrics, the risk is reduced. Continuously work to be in line with the Paris Agreements on climate change while halving our carbon footprint by 2030 and reaching Net Zero by 2050. To do so, we will prioritize, engage, and reduce our carbon footprint and water footprint.
Status :	Our status for 2022 is that we have started to report our greenhouse gas emissions (GHG) on scope 1 and 2 emissions. However, this is not complete, and we will therefore investigate a partnership and/or a solution to report in a more detailed and structured way in Q3/2023. In terms of materials, we have started using recycled materials that are part of the Recycled Content Standard (RCS) and Global Recycled Standard (GRS). These certifications are environmentally friendly, and we will focus on increasing renewable and recycled materials in the designing phase of our products. In addition, we are looking at choosing Better Cotton (BCI). On customer request, we can offer sustainable certification such as Fairtrade as an alternative to cotton.
Goals in reporting year :	N/A – first time report.

Completed measures and reasoning :

Updated chemical guidelines and restrictions to approach sustainable procurement and to increase our awareness of climate change in our supply chain.

Goals and activities for the coming reporting year :

Our goal for the upcoming reporting year is to eliminate waste and pollution by facilitating future-oriented tools to analyze sustainable data with our strategic and tactical suppliers. Implement use of more eco-friendly materials and 3rd party certifications. Address a traceability overview for sustainable raw fibers and fabrics in Wenaas, including Tier 2 and Tier 3 information.

In general, investigate how to start tracking data on materials, waste, and energy in production on own brand products (Tier 1). Phase out and replace critical product groups and/or specific B2B requests with more recognized programs and promote initiatives for environmental materials and certifications such as Global Recycled Standard (GRS), Recycled Content Standard (RCS), Responsible Wool Standard (RWS) and Organic Content Standard (OCS). Address the Textile Exchange Corporate Fiber & Material Benchmarking program to measure, track and compare our progress related to these chosen fibers and materials. For our streamlined cotton portfolios, we will start replacing conventional cotton with Better Cotton Initiative (BCI). In collaboration with nominated strategic suppliers, we will also begin to certify chosen high-profile products for OEKO-TEX® STANDARD 100 and OEKO-TEX® Made in Green.

To anchor our goals to improve we will continue to follow our cooperate roadmap and talk to our suppliers, partners, and NGOs. Seek a solution reporting on our GHG measures in partially areas of scope 1, 2 and when possible, start addressing how and what we can report on in scope 3 for the upcoming reporting year.

OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

Describe the company's general measures to cease, prevent or mitigate negative impacts, including in the supply chain.

3.B.1 Reduction of nature- and environmental impact

Additional to mentioned goals, below measures are relevant information and awareness for sustainable development to cease, prevent, or mitigate negative impacts in our supply chain include:

- Predefining KPIs with high-quality, mono eco-materials and versatility as key.
 - Promote design for longer life (design principles, durability, care extend symbol, Value Added Service (VAS) center).
 - Reduce carbon footprint on packaging (recycled paper and/or FSC certified and recycled plastic).
 - Track and reduce carbon footprint on inbound and outbound transportation.
 - Convey professional product development expertise and our "Green Growth Ladder" of sustainable levels for B2B.
-

3.B.2 Reduction of greenhouse gas emissions

Wenaas has a commitment to reduce our GHG emissions according to the Paris agreements - to limit global warming to 1.5°C target and reduce Co2 emissions by 45% (to 2010 levels) reaching net zero by 2050. According to Ellen MacArthur Foundation the textiles industry produces 10% of all global Co2. That leaves opportunities untapped for us. Below are listed some improvement measures that we believe contribute to reducing our GHG emission:

- Closing the loop – a changemaker in our supply chain

Wenaas has started a project with one of our strategical Indian suppliers to recycling our own initial textile cutting waste. The process is without dyeing keeping textile resources in circulation, resulting to Upcycle to new products. The waste applies to cotton and polyester product categories. Naturally there are challenges due to fibers and their properties, process, and material appearance. However, we believe this is a huge step in the right direction towards a circular economy thinking in the textile industry. Our aim is zero waste - 100% circular production, developing new enabling products. Environmental impact of calculations is for e.g., for one cotton t-shirt:

- Saved 2700L water.
- Saved 1kg. Co2 emission.

- Environmental efforts towards Better Cotton (BCI) and Global recycled standard (GRS)

Regardless of which material we choose in our product developments, Wenaas business partners and suppliers shall ensure compliance with all applicable laws and regulations pertaining to air, water, noise pollution, and ground contamination. With that said, our focus is now on phasing out and replacing critical portfolios with more recognized programs and initiatives for environmental certifications to minimize waste resources in production in use and after use (reduce energy, water, and waste).

Based on the complexity of our supply chain, from fiber production, yarn production, fabric production, dyeing and finishing, garment assembly, distribution and retail, use-phase and in best case including end of life, we believe that we can make the greatest impact reducing our GHG emissions in the beginning of the product development. This means that to reduce scope 3 GHG emissions we purchase eco-friendly raw materials (Tier 3). Our largest materials are within cotton and polyester and by replace conventional cotton to Better Cotton (BCI) and virgin polyester to recycled polyester according to Global Recycled Standard (GRS) we will guarantee traceability of the fiber and reduce the products footprint excessively. These certifications will additionally also comply with 10 out of 13 principles related to our human and labor rights, environment, corruption, and animal welfare assessed already in our membership with Ethical Trade Norway 2023.

- Digital Product Passport (DPP)

Another change in our supply chain will also be to investigate DPP in Q3/2023 to have traceable data throughout the product's life cycle. This is in the early stage within the industry, but we believe that it will contribute to reducing our carbon footprint and increase supply chain traceability for our customers and end consumers to make better choices in their purchases.

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

As mentioned, Wenaas works continuously to improve our own purchasing practices due to our ISO 9001 commitment. We have set requirements for assessment of our suppliers and our procurement processes. In terms of lead-times this is followed according to the agreement with the supplier. However, we will have implemented a set of new KPIs to track our progress on responsible purchasing practices. Listed below are some highlights of our practice in 2022:

- 16% of Wenaas staff are in contact with partners and suppliers daily and very well familiar with our supplier terms and conditions.
 - 6% of sourcing and purchasing staff with responsible business practices are included in the job description.
 - 2 times a year meeting points for staff in direct contact with suppliers to collaborate on improving social standards in the supply chain.
 - Quarterly review by Senior Management to assess sourcing strategy and impacts of planning and purchasing on compliance.
 - Seldom price change after PO is sent to supplier as product development is finalized and approved for bulk. If of any change it may be related to MOQ (surcharge) or raw material price adjustment.
 - 96% of orders with on-time payment to suppliers.
 - 0% of orders where penalties and/or deductions are imposed for late delivery.
- For 2023 we will start addressing on we can improve collaborative planning and forecasting, and sustainable costing reflected on direct and indirect costs.

3.B.4 Choice of products and certifications

According to the ESG strategy and as highlighted above, Wenaas has made following choices for our products forward:

- The FAIRTRADE Cotton Mark.
- Replace conventional cotton to Better Cotton (BCI).
- Replace virgin polyester with recycled polyester according to Global Recycled Standard (GRS).
- Increase for OEKO-TEX® STANDARD 100 and OEKO-TEX® Made in Green.
- Work for that the leather comes from LWG certified tanneries.
- Prohibit antibacterial treatments.
- Increase mono materials in our own brand collections.

3.B.5 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

In our SAQ Q1 2023 we identified that 61% of Wenaas Brand suppliers have worker representations (committee), whereas 18% have trade unions. That gives us reason to believe that there is potential for improving in this area. We would like to start addressing the topic through dialog with our factory's management, as our goal is to help our supplier's overall performance. It would be interesting to investigate if grievance mechanism and following a complaint process can connect with the younger workers. If possible, find new ways for our suppliers to build coalitions with trade unions, other organizations, and movements to engage their workers' rights to worker representation and/or trade unions than today.

3.B.6 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

No doubt closer supplier relationships between Wenaas and our suppliers create significant value. In our business practice we have an integrated approach to supply chain optimization, raw materials, and ways to reduce our waste. We collaborate on planning, reducing risks and generally strengthen each other's value. To contribute to further development, we would like to agree on some sustainable KPIs to measure and track progress. We will therefore continue to communicate with trust as we believe that is the key to succeeding in developing the relationship.

As for today, we see possibilities for improvements, especially related to Amfori BSCI platform. There are several requirements addressed to the training of our suppliers and workers in the supplier chain. In terms of internal capacity building, we work cross functional and will now increase our engagement and knowledge for human rights due diligence within several departments. We would also like to emphasize the importance of collaborating across the industry and with other brands to increase supply chain transparency and generally promote higher ethical and environmental standards.

3.B.7 Combatting corruption and bribery in own company and supply chain.

Wenaas has a Corruption & Anti-Bribery Policy for combatting corruption and bribery in our own company and supply chain. Whoever Wenaas may deal with, and wherever we may operate, we are committed to doing so lawfully, ethically and with integrity. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.

Our Corruption and Anti-Bribery policy sets out how Wenaas prevents acts of bribery and corruption taking place. It is intended to comply with criminal legislation governing bribery and corruption on a global basis. This policy provides guidance on the standards of behavior to which we in Wenaas adhere and most of the contents hereof reflect the common sense and good business practices that we all work to in any event. It is designed to help identify when something is prohibited so that bribery and corruption are avoided.

Training will be provided to relevant employees (defined in the policy) to support them in complying with their responsibilities in Wenaas. Employees may be required to annually confirm that they have understood and complied with this policy.

3.B.8 Other relevant information concerning the company's work to reduce, prevent, and manage negative impact on people, society and environment

In general, Wenaas works to increase our enthusiasm and support to our partners, suppliers, and customers to share knowledge and to have an open mind approach to reduce, prevent, and manage negative impact on people, environment, and society. We believe that increased awareness, strong ESG commitment and effective communication will be the key forward to reaching our goals.



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

Wenaas is in direct contact with the suppliers regarding product development, ordering procedures, in addition to yearly follow-up on Amfori BSCI for and monitoring other audits our suppliers are complying with. Suppliers are thoroughly considered according to quality and manufacturing process, relevance, and risk. Following up with a social audit will identify any gaps and allow the supplier to close the loop for any deviations, non-conformances, or delays. Audits also ensure quality standards, quality control and help us understand suppliers' standards of labour, health and safety, environmental performance, and ethics at the supplier's site. Our goal is to deepen the social responsibility of supplier assessment, to evaluate our supplier's performance and improvement areas to reduce the risk of violating human rights and decent working conditions.

Amfori BSCI provides a system for our due diligence activities to help Wenaas improve working conditions with our suppliers and that also encourages producers to go further and achieve best practice. 13 Performance Areas (PA) additional to the Amfori BSCI Code of Conduct (CoC) are implemented to the supplier. Q1/2023 we performed a screening (SAQ) of our supply chain and overall risk score in spend, this is how it looks for 2022:

- 52% (36 suppliers) of the total spend is followed by supplier audits (Tier 1), whereas 37% are BSCI Amfori and 11% SMETA (SEDEX). The remaining 4% is SA8000, FWF and Blue Sign.
- 76% (25 suppliers) of Wenaas Brand suppliers (Tier 1) have performed social audits in 2022, whereas 36% are Amfori BSCI and 30% SMETA (SEDEX) audited. The remaining 9% is SA8000 and Blue Sign.
- 11% (11 suppliers) of Wenaas 3rd part suppliers (Tier 1) have performed social audits in 2022.

Challenges: Amfori BSCI - we see that there are two areas (out of 13 PA) that stand out – 1) Social Management System and 2) Decent Working Hours. These are especially related to China suppliers. For Pakistan we see that there is one area for improvement and that is 1) Decent Working Hours.

In general, the Amfori BSCI platform links up suppliers to other Brands and we therefore find it challenging to improve these two issues on our own. The reasons are because the corrective action plans (CAP) are based on the audit and issued by the RSP (Responsibility) holder, and only through higher transparency between us buyers will we be able to make a higher impact. The main driving improvement actions are in general higher standards, ordering procedures, sharing best-practice, and increasing our learning with the supplier. Other external factors can be if the supplier complies with national regulations and limited risk, spend and our importance to own progressions lays as a key factor for the supplier to improve themselves.

During Q2/2023 we will be evaluating Ecovadis solution to see if this is a fit for our supply chain. We would like to continue to improve our monitoring and effect of measures to keep on preventing negative impacts on people, society, and the environment. The reason for this approach is to track our supplier chain in a broader term, increase our ability to do the right thing and continue to follow up according to International sustainable standards. These standards are according to the International Labour Organization (ILO) conventions, the Global Reporting Initiatives (GRI) standards, ISO 26000 standard and the UN Guiding Principles on Business and Human Rights. The assessments through the Ecovadis are tailor-made to company size, industry, and location and our supplier will be evaluated in four areas and monitored yearly. The assessments focus on 21 sustainable criteria and are grouped into four themes: 1) Environmental, 2) Labour and Human Rights, 3) Ethics and 4) Sustainable Procurement.

In terms of Environmental focus Wenaas yearly follow-up with updated restricted guidelines according to REACH. Our business is mainly focused on standards and certification systems within all product groups, and closely monitored by external partners such as SGS, RI:SE, OEKO-TEX® standards et al. Additional we will drive a project from Q3/2023 to start reporting in a broader term for Scope 1 and 2.

In regard to Scope 3 we will continue today's practice with registration of fabrics, trims, thread etc. in our PLM system. Approximately 85-90% of our products via Tech-packs are nominated and known sub-suppliers of these accessories (Tier 2 and Tier 3). However, we do not have traceability on everything, as some articles have local accessories that our supplier (Tier 1) buys in. At the same time, we would like to clarify that our CoC to our

suppliers also apply to their subcontractors in our production. However, we see improvement areas to systematically start reporting these steps to communicate it in a better way than we do today. We would also like to map all suppliers in this work and start focusing on our own brand suppliers and take it step-by-step.

Animal welfare is a challenging and an important topic, and even though we have strict requirements we will put in place higher restrictions for 2023. The drivers that for this improvement were mapped from our SAQ Q1/2023 as we noticed that 47% of our own brand suppliers do not have this specifically in their management system.

- For wool we have therefore introduced mulesing-free merino wool through strict guidelines to prevent mulesing. This is a painful surgical procedure on sheep to prevent sheep being killed by infections caused by insects.
- For leather we will be focusing on increased transparency and documenting animal origin.

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

Wenaas performs with regular factory visits to existing suppliers for our own brand, and new key suppliers will also be paid a visit to perform quality inspections. Our procurement documents are also used to help us determine what our suppliers best meet our needs and to make sure they comply with the set of contracts and guidelines we require before going into a cooperation.

We believe that visiting and interacting with employees during a factory visit will significantly provide us with information to judge the company's culture. Through a site visit we can determine if a new or existing supplier has the necessary organizational leadership, operation process in place and leadership to meet our material and service requirements. We are confident that if our supplier is good at keeping their employees safe and happy, they are also good at keeping their customers pleased. Regarding 3rd-part suppliers, we will also have physical meetings with their office and make sure that their factories are performing on both quality, sustainability progress and reasonable due diligence process in their own supply chain.

To identify, prevent and ensure the safety of employees throughout our supply chain and generally make our business more socially responsible, we use Amfori BSCI. Amfori BSCI is our audit standard for our own brand suppliers and follows-up with regular yearly audit inspections. BSCI provides us with social auditing and reports, and through this agreement we have zero tolerance (Code RED) in this area. Code RED is a list of non-compliance issues, and if zero tolerance is uncovered in a factory visit during an audit, no order will be placed and/or production will stop immediately.

Since Wenaas is represented in the EU, we accept SMETA (SEDEX) audit reports from our suppliers. Both SMETA and Amfori BSCI have similar certifications and audits on supplier social responsibility. In our supplier mapping and to avoid safety system audit fatigue we accept the following - SA8000, WRAP, FWF and Blue Sign since these certificates also improve standards for the workers and for business. However, if the supplier does not have any of above-mentioned audits, Wenaas will follow up with a BSCI audit. We require a minimum C-score rating or better for an Amfori BSCI audit and should a supplier receive a D-score rating or lower, we will be following up immediately with the CAP plan and require a conducted audit within 6 months.

Wenaas supply chain is globally represented, and we therefore need to have a pragmatic and holistic approach to solving problems in a sensible way by also acceptance of other social certifications. This is to ensure suppliers' operations meet our requirements of relevant ethical standards without focusing on only one audit standard. The focus within all these audits are the same and social issues addressed towards forced child labour, health and safety, freedom of association and collective bargaining, discrimination, working hours, disciplinary practices, and management systems. If we were to uncover any ethical guidelines that are not complied with, we would follow up with our suppliers throughout the entire improvement process within the timeframe to improve. Naturally these are deviations which are not identified as serious (Code RED), so we will therefore be able to continue the collaboration with the supplier. Our CoC also requires our suppliers (Tier 1) to pass on to and follow our guidelines with their sub-suppliers.



5

Communicate how negative 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 accessible, 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 about managing negative impact

Wenaas communicates with affected external stakeholders on our website by providing the following documents:

- Wenaas Workwear Code of Conduct (CoC)
- Wenaas Workwear Policy for Responsible Business Conduct
- Wenaas Workwear Minimum Criteria for Suppliers
- Wenaas Workwear Corruption & Anti-Bribery Policy
- Wenaas Workwear Restricted Substances List (RSL), REACH
- Wenaas Workwear Supplier Compliance Guidelines – Amfori BSCI
- Wenaas Workwear Code RED process – Amfori BSCI
- Wenaas Workwear ESG Roadmap
- Wenaas Workwear Supplier List (Tier 1)
- Wenaas Workwear Raw Materials
- Wenaas Workwear NGO's and industry associates and collaboration.

Wenaas has a close relationship with our partners and suppliers, and this is a crucial factor for managing the negative impact on our supplier chain in a professional way. Our key suppliers are therefore familiar with our ESG goals. Direct operations for ongoing sustainable topics are important to drive our goals forward but only together with our suppliers and their suppliers can we fully manage the social and environmental challenges together.

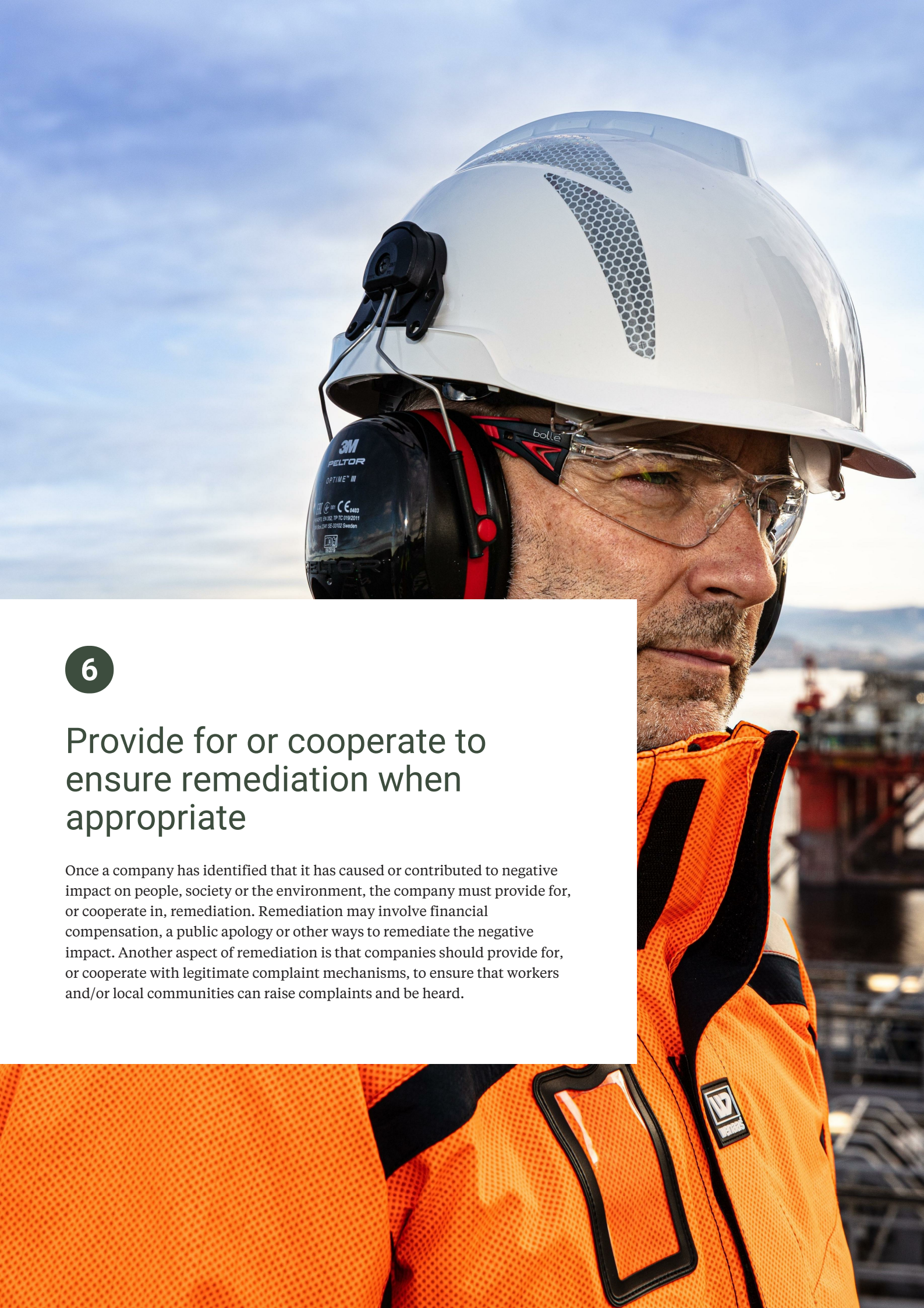
5.A.2 Describe how the company publicly communicates its own work on identifying and managing negative impact/harm

Wenaas communicates our work on identifying and managing salient risks on our official website:
<https://www.wenaas.com/nb-no/om-wenaas/samfunnsansvar>

Regarding tender processes, we communicate on how we work with our ethical and environmental improvement measures in the value chain.

5.A.3 Describe the company's routines for maintaining and answering external inquiries related to the information requirement imposed by the Transparency Act

Wenaas has established systems and routines for the handling of information requests imposed by the Transparency Act. We publish it on our website and in our annual report. Information regarding how we address actual and potential adverse impacts will be answered in writing, and according to the deadline within 3 weeks after the request is received. If the amount of type of information requested is burdensome to reply within 3 weeks, a longer deadline is required, and we will take up to 2 months.



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 of remediation 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

Wenaas has formalized and implemented our documented principles and procedures, with attention to the rights and need of individuals from groups or populations that might be vulnerable, and regard to the risks that may be faced by woman or men in our supplier chain.

Our Suppliers and partners sign our CoC, and with our Minimum Criteria for Suppliers and our Policy on Responsible Business Conduct they commit to be responsible to require human rights due diligence. Meeting our requirements and standards defines the mission, rules, and expectations of our suppliers and partners in the relationship with social and environmental matters. Wenaas will continue to offer professional knowledge where sustainability is at the core of our operations. We do believe that human rights due diligence is well implemented into our ESG strategy, and we will therefore build a more sustainable future, create Long-Term Value and a better working world for all.

Wenaas will from 2023 review yearly whether our policies, regulations and enforcements measures are effectively addressed to heightened risk, including solutions for human rights due diligence. If or where we identify gaps, we will take appropriate actions to address them. Critical indiscretion will be followed up, summarized, and approved by the Management Team.

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

N/A - first time reporting year.

6.B. Ensure access to grievance 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 needed

At Wenaas we believe that human rights, environmental protection, and a high level of ethics, go together with business, and that we have a role to play in society both socially and environmentally. The greatest reward of our efforts in terms of sustainability is to see a concrete upgrade of the working conditions of the people we work with, and measurable reductions of our environmental impacts. As a cornerstone of our sustainability commitment, Wenaas is inspired by the UN Global Compact and its guiding principles for Corporate Responsibility on human rights, labour, environment, and anti-corruption.

In terms to ensure that workers and local communities have access to effective grievance mechanisms when this is needed, there are no official system initiated in place by Wenaas today towards our supply chain. However, this will be something to investigate to handle complaints and concerns relating to working conditions and other factors raised by our suppliers' workers. From 2023 Wenaas have an employee grievance system, an overall whistle blow possibility to file a report and/or use The Cotton Group's helpline to raise a concern, problem, or complaint that an employee has about their work, the workplace, or someone they work with, including management.

Wenaas will continue to proceed with a clear and transparent framework for addressing grievances related to the recruitment process, in the workplace and in Wenaas supply chain. Our internal procedures for complaints are addressed, followed by consideration, management response and feedback – all according to national laws and anchored in ISO 9001.

Contact details:

Wenaas Workwear AS
Sustainability and ESG Manager - Charlotte Schrader
charlotte.schrader@wenaas.no