



Open Air Group



Sustainability Report 2022

About the report

This is our third sustainability report. OAG has taken inspiration from Global Reporting Initiatives (GRI) standards of sustainability reporting; however, the guidelines have not been fully applied. The report is mainly intended for internal use, to raise awareness, start a dialogue and create action amongst our employees.

But it is also for anyone that is interested in reading about our recent efforts towards a more sustainable group, as well as the challenges we've faced.

Reporting takes place annually and the reporting period is from the calendar year 2022 with some additions made in early 2023.

Questions and comments regarding the sustainability report can be sent to info@openairgroup.se.



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Introduction – message from the CEO

2022 was the year when we thought things would get back to normal after two years in a Pandemic with high fluctuations in demand and a very challenging supply chain situation. But then came the terrible war in Ukraine, inflation and the energy crisis. Regardless of the challenges, we are proud of our financial development in 2022, and we have learnt that our group companies are agile and resilient when it comes to adapting to change. I believe this is a very important skill in order to keep developing the business in a more and more rapidly changing environment.

2022 was a year with many important milestones, with the main events being finalizing the acquisition of Aclima and onboarding the company to the group, moving our e-com operations to a new and bigger warehouse as well as starting the work with integration of companies in the Tech Division and hiring an external CEO.

We have also made updates on the current sustainability ambition to better suit our work, and have added long term goals towards 2030 in order to be able to tackle the bigger challenges on eg climate change.

This goes in line with us now being a part of Science Based Targets initiative since December. It is a driver and tool to help us in our targets to reduce our greenhouse gas emissions in line with the Paris Agreement. We are in the beginning, and we need to take ambitious climate action to be able to reach the goal. There are high ambitions also in the European Union. It is a strong will to establish new requirements for companies around social and environmental impacts. As a new member of Ethical trade initiative and the Sustainable Fashion Academy Learning and Innovation Network, we see the value of acquiring and sharing important knowledge through this kind of collaboration.

“In 2023 we are defining the roadmap towards 2030”

In 2023 we will continue our incremental improvements within sustainability, carrying out baseline measurements for all main 2030 KPIs to have a clear starting point as well as collecting more accurate CO2 data and measure our scope 3 for 2023.

One All of this with the continued focus of supplying goods and services to help people get out and spend more time in nature.



Camilo Sjödin / CEO



About Open Air Group

FOR LIFE OUTDOORS

Open Air Group was created in 2016 with the desire to become the Nordic online market leader within products for hunting and outdoor.

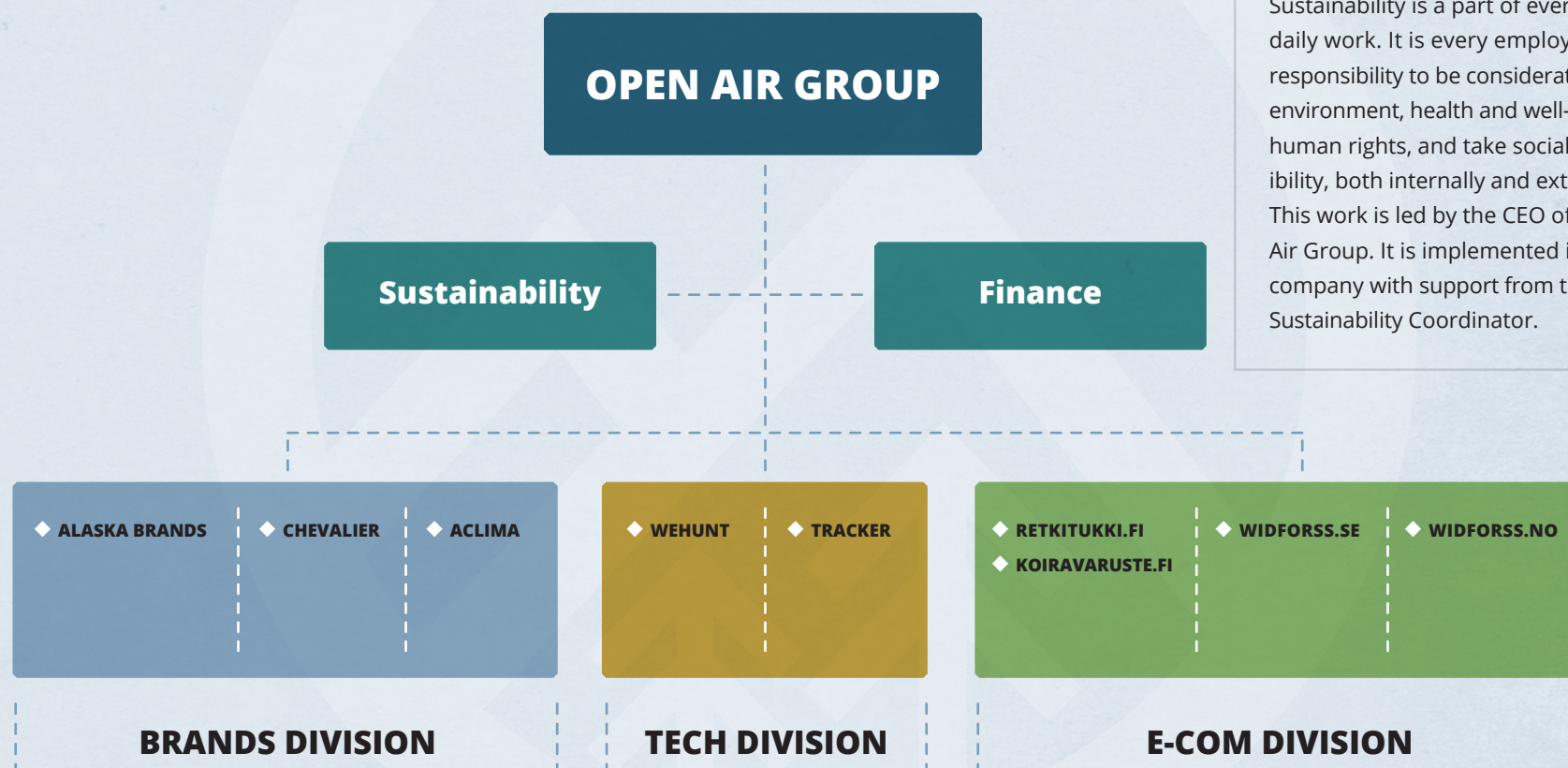
The group invests in, and develops, companies within the outdoor segment, and has a strong focus on development of new proprietary brands and products. The company is active in **Finland, Sweden and Norway**. Open Air Group currently consists of eight subsidiaries, divided into three divisions ...

- ➔ **E-com**
- ➔ **Technology**
- ➔ **Brands**



Open Air Group

...is a fast-growing Nordic product developer and e-commerce within hunting, outdoor and dog equipment.

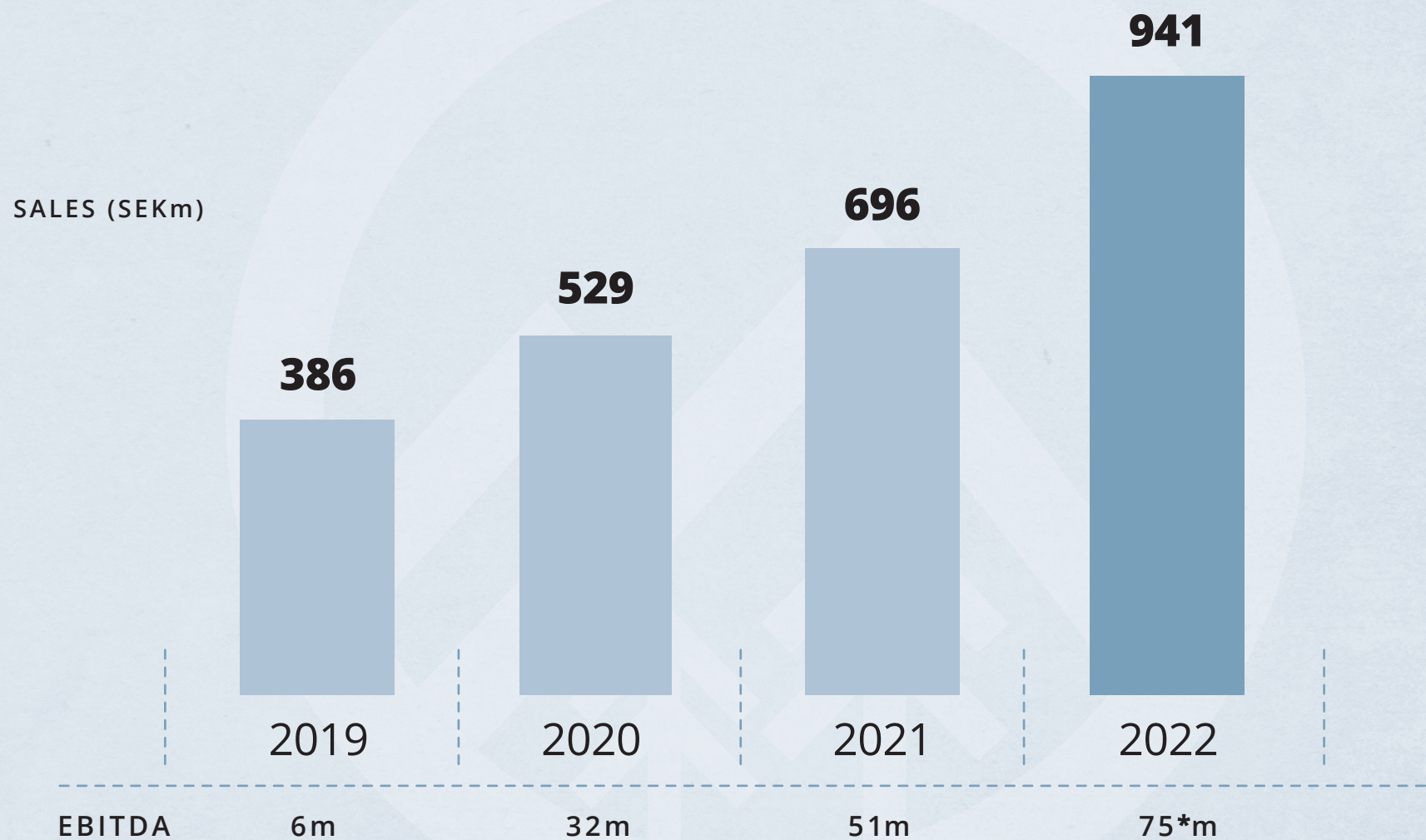


Sustainability

How do we work with it

Sustainability is a part of everybody's daily work. It is every employees responsibility to be considerate of the environment, health and well-being, human rights, and take social responsibility, both internally and externally. This work is led by the CEO of Open Air Group. It is implemented in each company with support from the group's Sustainability Coordinator.

Sales and profit development



Note:

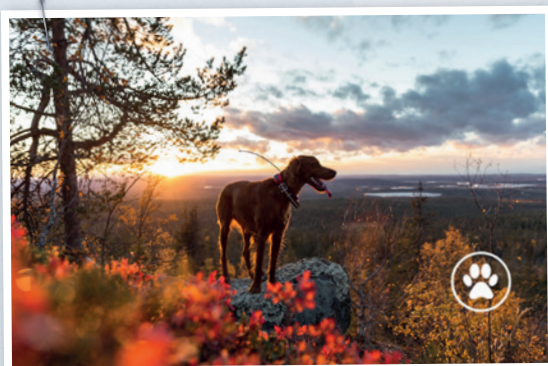
* Aclima included in full year -22.

Technology division

TRACKER

Tracker, which includes and today is the result of the acquisitions and mergers of B-Bark and Ultracom, is a Finnish company that specializes in the developing, manufacturing and marketing of GPS receivers mainly for hunting dogs, as well as applications for mobile phones. Founded in 1977 and headquartered in Finland, Tracker products are sold by a vast network of partners and distributors, primarily in Europe.

Tracker is a system for hunters and outdoor enthusiasts, consisting of a dog tracking collar and a corresponding tracking app, which provides reliable real-time positioning of the dogs and your hunting friends in the area displayed on high-quality topographic maps. The spirit of innovation and product development has made Tracker one of the pioneers and high quality product developer in the industry, something which is proven by the many patents submitted and granted.



TRACKER

WEHUNT

WeHunt is the Nordic region's largest hunting app with over 830k downloads and is headquartered in Katrineholm, Sweden.

The people behind WeHunt come from different backgrounds, but one thing they have in common is a shared passion for hunting. Thanks to innovative development and by always focusing on the user's needs, they have quickly taken a market-leading position. Together, they deliver the Nordic region's best and most used digital platform for connected, easier and safer hunting.

WeHunt is a tool for both before, during and after hunting and can be used by both new and inexperienced hunters, as well as by hunting teams and the individual hunter. You get a complete overview of the hunting ground, where the hunting team can collect statistics, plan and start hunts and administer the hunting ground together. Thanks to the function of being able to see both hunters and dogs live on the map during hunts, WeHunt contributes to a much safer and more fun hunt.



48 employees total for Tracker and WeHunt

Brands division

ACLIMA AS



Aclima AS was founded by Eivind Johansen in 1939 as a local textile manufacturer in Drammen, Norway. For three generations, Aclima has progressed into a specialist in functional underwear where wool is the main component. The products include underwear, base and mid-layers, training products, hats and mittens made from wool. Aclima AS had a turnover of about 200 million NOK in 2021 and about 100 employees in Norway, Sweden and Estonia.



98 employees



ALASKA BRANDS



Alaska Brands was established in 2011 by the Koskelo family in Finland with the goal to develop a cutting-edge set of hunting outerwear, unrivalled in the marketplace. Since then, innovation and development of proprietary brands has been at the very center of operations. The Alaska Brands portfolio of brands consists of: **Alaska 1795** (hunting clothing) and **Valio** (canine nutrition). These brands are sold through Open Air Group's e-com channels but also via external resellers around Europe.



8 employees

CHEVALIER



Chevalier develops, designs and markets clothing and accessories for hunting and leisure under its own brand. The company was founded in 1950 and today conducts sales in 30 markets, with Sweden, and northern and eastern Europe as its principal markets.

Chevalier is characterized by the ambition to create opportunities for a life closer to nature with style and innovative functions.



13 employees

E-com division



RETKITUKKU.FI & KOIRAVARUSTE.FI

Retkitukku is an e-com specialising in hunting, dog food and accessories as well as other general outdoor products under the domains Retkitukku.fi and Koiravaruste.fi.

Retkitukku was established in 2011 by the Koskelo family in Finland with the ambition to provide the leading online shopping experience within its field and with a high share of products sourced directly from the producer. Today Retkitukku is a well established e-com in Finland.



14 employees

WIDFORSS.SE

Widforss is one of the most well-known brands within hunting and outdoor products in Sweden. Since 1729 Widforss AB has been a supplier to generations of knowledgeable and demanding customers.

Few brands can demonstrate the longevity of Widforss. A successful contributor to high quality products, customer service. It has had the capability to develop over time fuelled by the ambition to always be one step ahead of the competition.

Today, Widforss has evolved into an online shopping experience with the vision to offer the best possible assortment within hunting and outdoor at attractive prices.



49 employees



WIDFORSS.NO

Widforss Norway is Open Air Group's e-commerce operating in Norway, sharing resources with Widfors Sweden with the same focus on hunting, outdoor and dog equipment.



2 employees



Highlights during 2022 ...

- ◆ We are committed to the Science based target initiative.
- ◆ We have become a member of Ethical Trading Initiative Sweden.
- ◆ Aclima are a partner of ZQRX merino-generative wool.
- ◆ Burrell have sold 1 479 refurbished cameras, 7% of sold cameras in total
- ◆ Aclima have produced 2 500 products in their ReBorn collection made from production waste.
- ◆ Alaskas entire hunting jacket/pant collection are made from recycled polyester in 2023.
- ◆ Chevalier, 50% of new developed styles for 2023 are made of more sustainable fibres.
- ◆ Widforss has started to use automated packing to reduce the percentage of air in packages.
- ◆ We have donated products for 3MSEK to Ukraine.
- ◆ Increased our sustainability communication both on group and company.

Stakeholder analysis & dialogue

OAGs most important stakeholders are customers, employees, suppliers/business partners, owners and board and the government.

We are a small organization who have frequent dialogues with stakeholders.

This year we have involved our owners and selected employees in our work, with our updated sustainability strategies. We have collected their viewpoints on which sustainability topics that are essential to us.

We have been involved in networks with focus on coming regulations within sustainability and will continue in the participation for these in 2023.

During 2023 we will keep on working with our daily stakeholder dialogues together with organized meetings to collect viewpoints and work towards prioritization of sustainability issues. Our stakeholder's confidence is of high importance to us in our sustainability work and we value what they view are our opportunities and challenges in our future work.



Sustainability context

Our work is encouraged by others and here are some selected areas affecting our company group.

Trends within outdoor, e-commerce, sustainability, that concerns OAG

General drivers

- ◆ Increased focus from investors on ESG-performance, sustainability becomes business driven
- ◆ Increased regulations on sustainability reporting, due diligence, green claims from European Union
- ◆ Increased concern from customers on products sustainability for many year (e.g Svensk Handel), but risk for fall-back due to lower willingness to pay during 2023 (high inflation etc.)

Swedish trade

- ◆ 80% of consumers think it is important that the products are produced with the greatest possible focus on sustainability (consideration of animals, people and the environment) when they buy sports and leisure products.
- ◆ That the product is of high quality, does not contain harmful substances and takes animal welfare into account are the three most important aspects of sustainability that consumers highlight
- ◆ Five years ago, 61 percent of consumers considered it important that the product they buy has a low climate impact. This year, the percentage is 79 percent.
- ◆ Resource efficiency is at the top of the agenda when trading companies prioritizes sustainability issues
- ◆ Guiding the consumer to make more sustainable choices is in focus - and has increased in importance compared to last year. Achieving actual behavioral changes has become an increasingly central part of sustainability work.

(Source svensk-handels-hallbarhetsundersokning-2020-21)

E-commerce and second hand

- ◆ The value of all e-commerce in Sweden decreased in 2021 compared to the previous year (-8% Q2, -5% Q3). One reason may be that more trade has gone back to stores after the pandemic.
- ◆ Every fourth consumer has bought something second-hand in the last month
- ◆ Price, durability, and collector's value are the biggest driving forces for choosing second-hand instead of new

(Source Postnord E-handelbarometer)

De-carbonization cascade through value chains

More than 1,000 companies have set scientifically based climate targets

- ◆ Greenhouse Gas Protocol's position as the global standard for reporting climate impact is further strengthened. Division of impact on Scope 1, 2 and 3 is the basis for target approval by SBTi.
- ◆ Scope 3 supplier engagement targets and the SME-route cascade the expectation for climate measuring and reduction through the supply chains.
- ◆ Land Sector and Removal Guidance is being developed, ready during late 2023.

(Source <https://sciencebasedtargets.org/news/more-than-1000-companies-commit-to-sciencebased-emissions-reductions-in-line-with-1-5-c-climate-ambition>)

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Sustainability context

...continue.

Action is still not close to bridging the gap - the reward for true sustainability leadership is enormous

Risk for irreversible non-linear effects on global scale increase

- ♦ Biodiversity loss (biosphere integrity)
- ♦ Emissions of plant nutrients, nitrogen and phosphorus (Biogeochemical flows)
- ♦ Emissions of chemicals, nanoparticles and other human-made substances (Novel entities)
- ♦ Fresh water use (Green water)

Two boundaries, tightly together, are at the risk of reaching tipping points on global scale, tipping points that have a high risk of self-enforcing change

- ♦ Climate change
- ♦ Land-system change
- ♦ One boundary is not yet quantified
- ♦ Atmospheric aerosol loading

And two boundaries are still within the planetary boundaries

- ♦ Stratospheric ozone depletion
- ♦ Ocean acidification

(Source <https://www.stockholmresilience.org/research/planetary-boundaries.html>)

Global emissions have not yet started to decrease - 6 years until budget is over

- ♦ Global emissions of greenhouse gases do not yet show a downward trend, rather an increase after the temporary decline during the pandemic. With current emissions, there is 6 years and 3 months left before the budget for 1,5 degrees increase is depleted.

(Source <https://www.mcc-berlin.net/en/research/co2-budget.html>)

- ♦ Net emissions of carbon dioxide from the combustion of oil, coal and gas are the main drivers of global warming (62 %). Carbon dioxide emissions from land use change (deforestation e.g. Brazil and Indonesia) also contribute (8 %), as well as methane (23 %), mainly from the extraction of fossil fuels, and nitrous gases (7 %), mainly from agriculture.

(Source <https://www.globalcarbonproject.org/carbonbudget/>)

(Source <https://www.globalcarbonproject.org/nitrousoxidebudget/index.htm>)

- ♦ The need for sustainability leadership within business is enormous, involving everything from incremental de-carbonization actions to transformative new business model that scale exponentially.

Materiality analysis

Our companies have a variety of supply chains and are expected to have a thorough understanding of their sustainability context and their risks. Depending on raw materials, production processes and where in the world our products are manufactured, among other things, we affect the planet in different ways. Each division have made a risk assessment and following common priority within listed risk areas.

Priority Risk	Brands	Tech	E-com
★ Human rights	High	High	High
★ Working conditions	High	High	High
★ Climate change	High	High	High
★ Animal welfare	High (wool)	None	Low
★ Freshwater use and pollution	High	Moderate	Moderate
★ Novel entities (chemicals, pesticide, microplastic, nanoparticles etc)	High	High	Moderate
★ Diversity, equity and inclusion	High	High	High
Biodiversity	Moderate	Low	Moderate
Anti-corruption	High	Moderate	Moderate
Eutrophication	Moderate	None	Moderate
Land use change	High	Low	Moderate
Ozone layer	Low	Low	Low
Soil health	Moderate	None	Low
Erosion	Moderate	None	Low
Destruction of habitats for wild species	Low	Low	Low
Collapse of wild populations	Moderate (dog food)	None	Low
Antibiotic resistance	Moderate (dog food)	None	Low

Risks

Tech division

◆ Common risks in the tech sector are the use of fossil energy for production, long value chains with limited transparency, working conditions and human rights within factories and during extraction of minerals (e.g. conflict minerals), pollution of water with chemicals at production, and responsible handling of e-waste at the products end of life.

For more information see:

...Upphandlingsmyndigheten, <https://www.upphandlingsmyndigheten.se/riskanalyser/elektronik-och-it/elektronik-och-it-produkter/>

...HP Sustainability report ESG materiality, <https://www.hp.com/us-en/hp-information/sustainable-impact/document-reports.html>

Brands division

The textile sector shows a wide range of sustainability risks.

◆ For all types of fibre: Common risks are use of fossil energy in production of tread (spinning) and textile (weaving, knitting), pollution of freshwater and spread of chemicals at dyeing, working conditions and human rights in the whole value chain (much of world production is in southeast Asia). Novel entities in the production, application, and use of water repellents (shell clothing).

◆ For renewable fibre: Spread of toxic chemicals (pesticide, fungicide etc) especially in the cultivation of cotton and also other fibre crops. Land use change and loss of biodiversity due to large monocultures of cotton and other fibre crops. Working conditions in the cultivation of cotton, since many cotton farmers (at least in India) have poor living conditions. Animal welfare in the production of wool fibre.

◆ For virgin and recycled fossil fibre: working conditions in the collection and use of recycled plastic in the production of recycled polyester. Climate impact from extraction, production, and end-of-life treatment of virgin polyester. Novel entities as microplastics and nano particles in the production and use of clothes made with virgin and recycled polyester.

◆ The dog and cat food sector also have a wide range of sustainability risks, similar to that of human food. Animal welfare, destruction of habitats for wild species by clear-cutting of tropical forests that are turned to grazing land or land for feed production, collapse of wild populations (mainly of fish) for fish meat to poultry or directly to pet food. Release of chemical substances (pesticide) at fodder production, as well as leakage of nutrients causing eutrophication.

◆ Other products like gun cabinets and dog cages have less sustainability risks. The production of virgin steel has a rather high climate impact due to the reduction of iron-oxide in the blast furnace. Iron is also a finite resource, due rather abundant and possible to recycle in an almost eternal cycle if not polluted.

For more information see:

...Hållbar livsmedelskedja Väsentlighetsanalys, <https://hallbarlivsmedelskedja.se/hallbara-produkter/>

...GRI Sector Standard for Agriculture and fisheries, <https://www.globalreporting.org/standards/standards-development/sector-standard-for-agriculture-aquaculture-and-fishing/>

...EcoWatch, Fast Fashion Is the Second Dirtiest Industry in the World, Next to Big Oil, <https://www.ecowatch.com/fast-fashion-is-the-second-dirtiest-industry-in-the-world-next-to-big-1882083445.html>

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Risks

...continue

...Fabrics of the World, <https://www.fabricoftheworld.com/post/fashion-is-the-second-most-polluting-industry-globally>

...Textile Exchange Dashboard, <https://mci.textileexchange.org/dashboard/>

...SVT Kläder av fleece förorenar haven, <https://www.svt.se/nyheter/inrikes/klader-av-fleece-fororenar-haven>

...Svenska Naturskyddsföreningen Plagg som sprider mikroplast i havet, <https://www.naturskyddsforeningen.se/artiklar/plagg-som-sprider-mikroplast-i-havet/>

...WeForum, How can we responsibly source post-consumer recycled plastic? <https://www.weforum.org/agenda/2023/02/how-can-we-responsibly-source-post-consumer-recycled-plastic/>

E-com

◆ Sustainability risks for e-com are associated with the production of goods. The risks are the same as for the Brands and Tech, with the complicating aspect that e-com have an even greater assortment of goods. The huge number of products might be considered as a sustainability risk of it's own. How should the companies in the E-com division be able to identify and control all material risks?

◆ Apart from the risks already mentioned, e-com also sells some products that have their own set of risks. Insect repellents is a non-negligible part of Widforss sales, as they have the aim to keep away insects. Many of them are classified as insecticides and are more or less toxic and can be harmful to other species. They must be handled with care and should not be deposit in nature.

◆ There are also substantial risks associated with transport and packing, since the business model is to pack and deliver every individual product to the customer. For transport, climate impact is a material risk but also air pollution and working conditions. For packaging the risks are associated mainly with plastic packaging (climate impact, extraction of fossil fuels, waste that can end up in nature, that disintegrate into microplastics and that is not decompose) but carton also have it's risks, de-forestation of tropical forests and an increased pressure on local forests that cause the loss of old continuity forest and loss of habitats for endangered species and biodiversity.

For more information see:

...Dagens Logistik, <https://dagenslogistik.se/ytterligare-kritik-mot-last-mile-buds-arbetsvillkor/>

...Bests vd i Transportarbetaren, <https://www.transportarbetaren.se/det-maste-ga-att-kombinera-lonsamhet-och-schysta-villkor/>

...E-handel, hård kritik mot last-mile-bolagen, <https://www.ehandel.se/hard-kritik-mot-last-mile-bolagen-bett-oss-att-inte-ha-varme-pa>

...Hållbart skogsbruk - vad är det? <https://www.naturskyddsforeningen.se/artiklar/hallbart-skogsbruk-vad-ar-det/>

...We know plastic pollution is bad – but how exactly is it linked to climate change? <https://www.weforum.org/agenda/2022/01/plastic-pollution-climate-change-solution/>

UN Global Goals and materiality assessment

The Global Goals also known as the UN Sustainable Development Goals or SDGs are agreed by the world leaders to create a better world by 2030. This is done by ending poverty, fighting inequality, and addressing the urgency of climate change. As a part of materiality assessment, we have looked at the 17 goals. Looking at the big picture we are of course influenced by all of them. We all live on the same planet. The purpose of this analysis is to priorities our sustainability work according to the interest of our stakeholders. The analysis that is done so far has resulted our businesses making more significant contributions to three focus point. We use them to create action.

“Looking at the big picture, we are of course influenced by all of them.”



Main goals and long-term targets

We have made updates on the current motivation to better suit our work and we have added long term goals.

AREAS	CLIMATE AND ENVIRONMENT		HEALTH AND WELLBEING	
	Quality and circularity	Climate impact	Fair value chain	Proud employees
MAIN GOALS	To reduce environmental impact from product	Zero carbon	Traceable value chain	High employee trust and wellbeing
	1. Increase lifespan 2. Reduce unwanted chemicals 3. More sustainable products 4. Circular business models	5. Reduce climate impact from own operations 6. Reduce climate impact from products and transportation	7. Secure fair and safe work environment for our partners 8. Animal welfare	9. Engagement and well-being 10. Attractive employer
KPI 2030	1. Actions for longer lifespan 2. 0% unwanted chemicals * 3. 100% Sustainable content * 4. 20% of D2C revenue from not selling new products	5. -42% vs 2021 ** 6. -42% vs 2021 in absolute emissions	7. Full control over value chain and actions on all identified risks 8. Always ensure animal welfare according to the animals' basic freedoms	9. Engagement above 80 10. eNPS above 30

* According to definition

** According to SBTi

Materiality assessment - Material topics and risks

SDG	MATERIAL TOPICS	RISKS	POLICY/ MANAGEMENT	KPI 2030
12.	Increase lifespan	<ul style="list-style-type: none"> • Claims, high product footprint 		<ul style="list-style-type: none"> • Actions for longer lifespan
12.4	Reduce unwanted chemicals	<ul style="list-style-type: none"> • Health risk in production, Product withdrawal 	<ul style="list-style-type: none"> • Suppliers guide 	<ul style="list-style-type: none"> • 0% unwanted chemicals
12.	More sustainable products	<ul style="list-style-type: none"> • Raw material resource, Raw material price 	<ul style="list-style-type: none"> • Internal criteria 	<ul style="list-style-type: none"> • 100% Sustainable content
12.	Circular business models	<ul style="list-style-type: none"> • Lose business, regulations 		<ul style="list-style-type: none"> • 20% of D2C revenue from not selling new products
13.	Reduce climate impact from own operations	<ul style="list-style-type: none"> • Emissions, Increased energy cost 	<ul style="list-style-type: none"> • SBTi 	<ul style="list-style-type: none"> • -42% vs 2021
13.	Reduce climate impact from products and transportation	<ul style="list-style-type: none"> • Emissions, Increased energy cost 	<ul style="list-style-type: none"> • SBTi 	<ul style="list-style-type: none"> • -42% vs 2021 in absolute emissions
8.5, 8.7 8.8	Secure fair and safe work environment for our partners	<ul style="list-style-type: none"> • Health and safety in production, regulations 	<ul style="list-style-type: none"> • Supplier Code of conduct, OECD Due Diligence model 	<ul style="list-style-type: none"> • Full control over value chain and actions on all identified risks
8.	Animal welfare	<ul style="list-style-type: none"> • Health and safety in production 	<ul style="list-style-type: none"> • Supplier Code of conduct 	<ul style="list-style-type: none"> • Always ensure animal welfare according to the animals' basic freedoms
8.	Engagement and well-being	<ul style="list-style-type: none"> • High sick leave, Voluntary employee turnover, Low efficiency 	<ul style="list-style-type: none"> • Internal Code of conduct 	<ul style="list-style-type: none"> • Engagement: > 80
8.	Attractive employer	<ul style="list-style-type: none"> • Voluntary employee turnover, Low efficiency, Difficult to attract new employees 	<ul style="list-style-type: none"> • Internal Code of conduct 	<ul style="list-style-type: none"> • eNPS: >30

Quality and circularity

To find new innovations and product development is a part of our work to reduce environmental impact from products.

Creating and selling products in good quality with **long lifespan** is one of our main goals within this area. During 2023 we will focus on create actions for a longer lifespan. By taking care of the product during the product's lifetime through proper care and the opportunity to repair is an important part that we will focus on more.

What substances are used in production of our products, what substances the products contains and how to **reduce unwanted chemicals** are areas that we keep on working with. It is important both for the environment where the production takes place, the workers and for the user of the product. We are also focusing on keeping track of the information to be able to pass it on to future recycling processes. To follow the regulations of what a product can contain is the base of this work. And we are focusing extra on PFAS, Phthalates and added biocides.

More sustainable products are a part of our material strategy to use sustainably sourced or recycled materials in our products. Chevalier had goals for new development for 2023 that at least 50% of the products need to be with in our criteria and the goal is reached. Alaska had a goal on all their hunting jackets and pants to be in recycled content which they accomplished. Aclima has found a new way to reuse wool and a method to reprocess waste from its own production. From first-class wool, they spin new yarns, used for both weaving and knitting fabrics that do not need re-dyeing. Based on the characteristics of the finished fabrics, the suitable ReBorn products are carefully designed and manufactured. During 2022 the Reborn collection has increased with a terry



Goals for 2030

1. Actions for longer lifespan
2. 0% unwanted chemicals*
3. 100% Sustainable content*
4. 20% of D2C revenue from not selling new products

*According to definition

“Creating and selling products in good quality with long lifespan are one of our main goals within this area.”

quality. 2500 ReBorn products has been produced, 100 more products than 2021. This corresponds to 0.2% of Aclima's total turnover in 2022. During 2023 we will work on sustainable content criteria's for more product groups.

To be able to reach our goal in resource efficiency we see that **circular business models** are an area to explore. To be a part of the solution we need to investigate in our responsibility to not solely sell new products. During 2022 our tech brand Burrel have refurbished and sold 1479 cameras, that is 7% of sold cameras in total.

Climate impact

To reduce our climate impact is of high concern and to work towards the tough goal zero carbon is a prioritized area.

Reducing climate impact from own operations is a part of this job even if it is only a small part of our total climate impact. Since December 2022, we are committed to the Science Based Targets initiative. It is a driver and tool to help us in our ambitions to reduce our greenhouse gas emissions in line with the Paris Agreement. Using 2021 as base line, we are committed to at least reduce our scope 1 and 2 emissions with 42% by 2030, and measure and reduce our scope 3 emissions.

We know that **reducing climate impact from products and transportation** makes a bigger impact but it is more challenging for us to take decisions that affect the result. This work takes time, and we are at the start of consolidating information and data from our screening made 2021. The screening showed that our scope 3 emissions are 46 331 tCO₂e, and our purchased goods and services are the biggest category with 42 000 tCO₂e. We do not measure this annually because it is a big effort and we have been focusing on improving within scope 1 and 2 and to getting the long-term priorities for scope 3 in place firstly. However, this doesn't stop us from making reductions. Here follow some actions that we have taken during the year to be able to reduce our scope 3 emissions. From transport to consumers our e-com have a new automated packing to reduce the percentage of air in packages. On average it decreases to half the volume and no filling material is needed. Approximately 65% of our e-com packages are automated packed today and when we are finished with the implementation, 85-90% will be packed that way. Aclima is a partner of ZQRX regenerative wool. ZQ is the leading ethical wool in the world. ZQRX is a collaborative action platform, it challenges brands and growers to

Goals for 2030

5. Scope 1 and 2, -42% vs 2021**

6. Scope 3, -42% vs 2021 in absolute emissions

**According to SBTi



give more than they take. Brands work with ZQRX Growers, are helping to incentivise and drive the change we want to see on the ground. Together we can work towards the mutual goal of leaving this planet better than we found it. Regenerative agriculture is a key part of the solution to tackling climate change.

The reduction from 2021 is mainly because of closing one of our Tech offices in Finland.

The climate calculation has been made in accordance with the Greenhouse Gas Protocol and included electricity and heating in offices and warehouses and fuel consumption in company cars.

	2021	2022
Scope 1 (tCO₂e)	103	111
Scope 2 (tCO₂e)	391	299
Scope 3 (tCO₂e)	46 331	

Our 2021 result has been adjusted and reduced from 2021 report. The fabric production at Aclima is not an inhouse production process and has been added on our Scope 3 emissions(+ 147 tCO₂e) instead of Scope 1 and 2. It is also because of an adjustment of e-coms warehouse emissions in Finland that was over estimated in 2021 result.

Fair value chain

To be able to have a fair value chain we see the importance of knowing more and having a traceable value chain. Traceability is a key to complying with upcoming legislations. We are proud to say partners of our suppliers. Our main contact are our tier one partner but many of our products are quite complex and we nominate component suppliers.

Our business success relies on our partners in our supply chains. To find partners to work with that share our values and goals are crucial to be able to follow and reach them. OAG as a group has a mix of companies with a big variety of products and different supply chains.

We have some manufacturing within the group. Aclimas sewing factory in Estonia and assembly of our Tech. devices in Finland are part of the value chain that is owned by us. This lowers the value chain risks compare to have it outsourced.

During 2022 we have become a member of ETI Sweden. It is a multi-stakeholder initiative bringing together companies, trade unions, civil society and public sector to strengthen workers' rights and human rights in global supply chains. Aclima are a member of ETI Norway and have made their first ETI report for 2022. Our work is based on the OECD's due diligence model and the six steps. We are in the beginning of tracing potential risks all the way to tier 4.

TIER 4	TIER 3	TIER 2	TIER 1
Raw material	Raw material processing	Material preparation and manufacturing of accessories	Assemble the product

In our supplier code of conduct we define our commitments and this is an important tool. Almost 100% of our brands tier one suppliers have signed our Code of Conduct. E-com have so far communicated it to their 25 biggest suppliers.

Goals for 2030

- 7. Full control over value chain and actions on all identified risks
- 8. Always ensure animal welfare according to the animals' basic freedoms

Partners	Brands	Tech	E-com
Tier 1	50	20	242

During 2022 we have started to map suppliers with information about the year we have collaborate, geography and product or processes that they make. This is our first step in **securing fair and safe work environment for our partners**.

Animal welfare is also a part within this area. The requirements for animal welfare are based on the "Five Freedoms".

- ◆ **Freedom of hunger and thirst** by ready access to fresh water and diet to maintain health and vigour.
- ◆ **Freedom from discomfort** by providing an appropriate environment including shelter and a comfortable resting area.
- ◆ **Freedom of pain, injury or disease** by prevention or rapid diagnosis and treatment.
- ◆ **Freedom to express normal behaviour** by providing sufficient space, proper facilities, and company of the animal's own kind.
- ◆ **Freedom from fear and distress** by ensuring conditions and treatment which avoid mental suffering.

Proud employees

Our most valuable resource are our employees. We have a responsibility to ensure that all employees have a good working environment that does not contribute negatively to physical or mental illness. Our culture shall be inclusion and equality for everyone.

We believe that to be able to be a proud employee, high employee trust and wellbeing are of big value and necessary for the ability to make a good and efficient team.

We have an internal code of conduct that all employees receive when they start their employment and a yearly review/training. Our whistleblower is introduced together with the code of conduct.

During 2022 we have sent out an employee survey four times. Our employees are answering questions within wellbeing, collaboration, recognition, pride, development, alignment and leadership. The answers generate an engagement score between 0-100.

We are also using Employee Net Promoter Score(eNPS). It is a quick and easy way to find out what employee loyalty and commitment looks like. There is one question, "How likely is it that you would recommend your employer to a friend?" where the answers are divided in the groups promoters, passives and detractors and a result is calculated between -100 and 100.

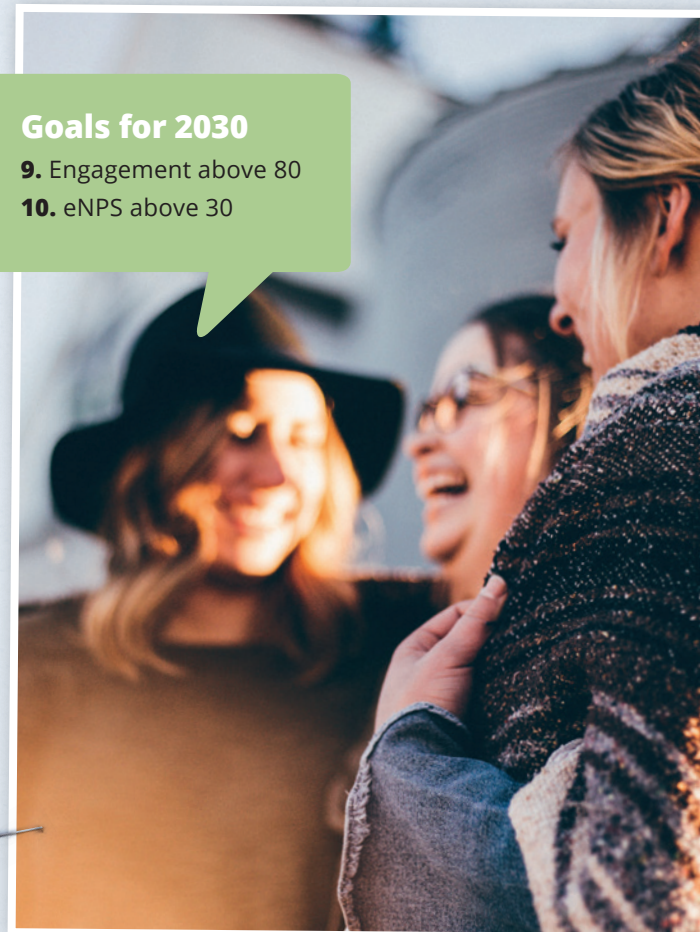
Unfortunately we see that the result is slightly lower than 2021. A relocation has been made on one of our offices in Finland. To some extent it has concerned some employees.

To be able to reach our goal, **engagement and well-being** and **attractive employer** we see the importance of invest in this as a prioritized area.

Goals for 2030

9. Engagement above 80

10. eNPS above 30



	2021	2022
Engagement	72,5	72
eNPS	10	1,5

In 2023 we will ...

...focus on incremental improvement to take our sustainability work to the next level.

Carry out baseline measurements for all main 2030 KPIs to have a clear starting point.

Work with our main goals with each company making a roadmap. What areas are prioritized and what to do year by year to be able to reach our 2030 goals. Work on individual measurable goals.

Collect more accurate CO2 data and measure our scope 3 for 2023.

Communicate more and be more transparent in our homepages both on group and company level through our external websites and the sustainability report.

"Focus on incremental improvements."





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