

## Responsibility in Madshus

As a leading manufacturer within the outdoor segment, we are committed to taking care of our planet, our customers, as well as ensuring a safe and healthy working environment for our employees who develop, and the factory workers who produce our products. It is what people expect from us, and what we expect of ourselves

When we talk about responsibility at Madshus we talk about the Environmental, Social and Governance (ESG). Madshus is committed to taking responsibility for its business activities and is engaged in making a positive contribution to the environment, for our consumers and to our society as a whole. Our ambition is to act responsibly and to be in the forefront in selected areas in sustainable business practices.

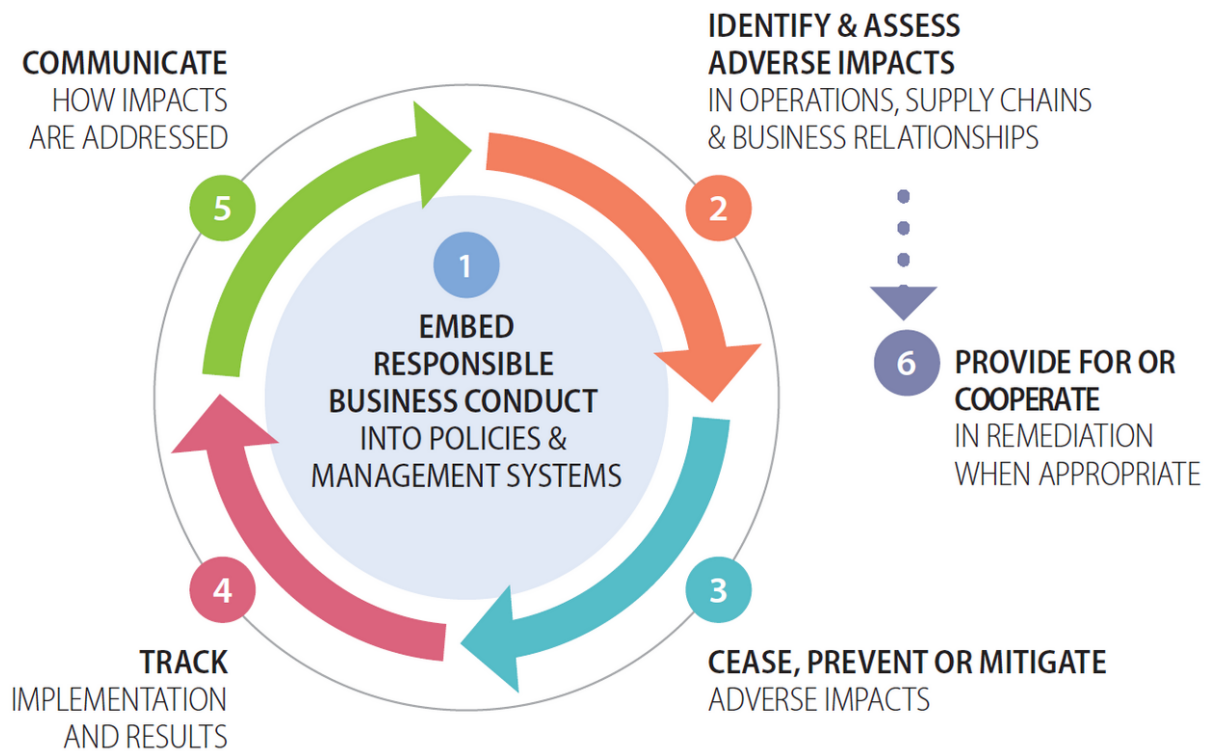


### ESG in business context

In a business context, this is about how our offering of products and services impacts the environment and the societies where we operate. How we manage risk in our operations to reduce negative impact and comply with laws and regulations, while at the same time creating financially sustainable growth. The Madshus ESG model illustrates the main aspects of how we work with responsibility in Madshus.

### Responsible Business Conduct (RBC)

The OECD has defined RBC as “making a positive contribution to economic, environmental and social progress with a view to achieving sustainable development and avoiding and addressing adverse impacts related to an enterprise’s direct and indirect operations, products or services”.



MADSHUS strives towards responsible business conduct that respects people, society and the environment. Our Code of Conduct forms the foundation of our sustainability work.

MADSHUS considers responsible business conduct to be a prerequisite for sustainable development, meaning that today's generation get their needs covered without compromising the ability of future generations to meet their own needs. As a supplier of sporting goods and equipment for outdoor use, we are committed to taking good care of our customers, securing a safe and healthy working environment for the people developing and producing our products, as well as having minimal impact on the natural environment. The UN Sustainable Development Goals (SDGs) is the world's joint action plan for sustainable development. MADSHUS works actively with the Sustainable Development Goals.

### **Nature and work environment**

- We provide our customers with products that are safe to use. Our products are to ensure a good reputation when it comes to taking good care of nature.
- We operate in accordance with all current and any future laws and regulations relating to the environment, and we contribute actively to the reduction of unwanted substances in the natural environment.
- Our products are produced in a secure manner and with little or no impact on the surroundings.
- Our products are produced in a manner that ensures good animal welfare.

## **Ethical trade and Anti-Corruption**

- We work actively to ensure that our products are produced in compliance with acknowledged standards for ethical trade.
- Especially, we contribute to the extinction of forced labor, child labor, discrimination, unsafe and unhealthy working environments, and wages below the poverty line.
- We have zero tolerance for corruption. Madshus, including all employees, shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their own interest or in the interest of customers, agents or suppliers.

## **Requirements – own business**

MADSHUS acknowledges that our business conduct can potentially have negative impact on people, society and the environment. At the same time, we see the potential to contribute to positive development in the supply chain. With this in mind, we have compiled the following principles and criteria guiding our own business:

### **Due diligence**

MADSHUS shall conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place are monitored and their effect evaluated. The measures are communicated to those affected by our actions. If our activities are found to cause or contribute to negative impact on people, society or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing remedy.

### **Responsible purchasing practices**

MADSHUS considers responsible purchasing practices to be one of our most important tools for responsible business conduct. MADSHUS shall adapt our purchasing practices in order to strengthen, and not undermine, our suppliers' ability to deliver on our requirements related to people, society and the environment. We strive towards lasting supplier relationships with suppliers who show a particular willingness and ability to create positive developments in the supply chain.

### **Freedom of association and worker representation**

MADSHUS supports the right to freedom of association and other forms of democratically elected worker representation. We shall involve worker representatives and other relevant stakeholders in our work with responsible business conduct.

### **Supplier development and partnership**

In dialogue with suppliers we will consider, if needed, to contribute with capacity building or resources that enable our suppliers to comply with MADSHUS' requirements related to responsible business conduct.

This way we lay the foundation for collaboration with suppliers that show the willingness and ability to work on positive development for people, society and the environment in the supply chain.

## Anti-Corruption

MADSHUS, including all employees, shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their own interest or in the interest of customers, agents or suppliers.

## Countries affected by trade boycott

MADSHUS, including all our suppliers and partners, shall avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

## Requirements – conditions in the supply chain

We expect our suppliers and partners to work focused and systematically to comply with our guidelines for suppliers, hereunder our code of conduct, that covers fundamental requirements on human rights, labor rights, anti-corruption, animal welfare and the environment.

Our suppliers shall:

- Follow our guidelines for suppliers, thereunder the code of conduct.
- Conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place must be monitored and their effect evaluated. The measures taken must be communicated to those affected by your actions. If the supplier is responsible for the negative impact/damage, they are responsible for providing remedy.
- Show willingness and ability to continuous improvement for people, society and the environment through collaboration.
- At the request of MADSHUS be able to document how they, and potential subcontractors, work to comply with the guidelines.

If the supplier, after several requests by MADSHUS, does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled.



## **Circular economy**

We have a strong ambition to reduce the environmental impacts of our products and strive continuously toward closing the loop in all materials we use.

We are actively researching circular economy practices and continuously seeking new alternatives on how our products can be designed, re-used, or kept in circulation in other ways. By following these principles, we will reduce waste, increase resource productivity, and help reduce our environmental impact.

## **Product lifecycle**

**Basic:** We deploy a lifecycle assessment or use other comprehensive and science-based methodologies for core product offerings to estimate our sustainability impact.

**Advanced:** Based on the sustainability impact assessment, we continuously seek low-impact alternatives for design, development, and production processes.

## **Resource efficiency**

**Basic:** We improve resource efficiency in our own operations by annually assessing our manufacturing processes. Where possible, we use lightweight materials and recycled or bio-based content in our products, minimize manufacturing waste, and recover waste for reuse as a resource.

**Advanced:** We seek to systematically improve resource efficiency across all elements of operations and throughout the supply chain.

## **Durability and repair**

**Basic:** We prolong the lifespan of our products by designing durable high-quality products, as well as by aiming for continuous improvement. We expand product life by offering consumers advice on product care and by providing repair services such as the possibility to receive a matching ski in a pair where one is broken.

**Advanced:** We design and develop products with a total lifecycle approach, including easy reparability.

## **End-of-use**

We guide our customers on how to return products at the end of use, such as through recycling.

## **We put our principles into practice**

The aim is to identify the factors that cause the most significant environmental impact on skis. Looking at material flow analysis, energy demand, and logistics, as well as the transportation of goods, materials, and personnel.

Madshus is also exploring a ski recycling project, with the purpose of finding ways to reuse or utilize the materials and different components used in the products. On top of that, Madshus is doing research on how to use alternative materials for various ski parts.

Biri 30 06 2023

A handwritten signature in black ink, appearing to be 'John Colonna', written over a horizontal line.

John Colonna  
CEO Elevate Outdoor Collective

Chairman of the board Madshus AS