



**AMER SPORTS**

# **SUSTAINABILITY REPORT** **2021**



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# LETTER FROM THE CEO

Sports, the great outdoors, health, and wellbeing are closely intertwined. During the past two years, this link has only grown stronger, with many of us becoming increasingly aware of the role of physical activity in our everyday wellbeing.

As the home of sports and outdoor brands, the wellbeing of people and our planet are close to our hearts. Amer Sports has been focusing on sustainability for years. With a solid existing foundation, we will elevate our environment, social, and governance (ESG) ambitions and commitments to demonstrate accountability and transparency throughout the value chain. We want to contribute to a cleaner environment, mitigate global warming, promote the circular economy, embrace inclusion and diversity, and ensure good and fair working conditions for all employees.

In early 2022, we have endorsed an updated ESG strategy. To include all corners of the company, we engaged all our brands and group-wide functions in the initiative through interviews with internal and external stakeholders. The participation has been passionate and active, showing a real commitment to sustainability throughout the organization. As a result, we have reviewed our key focus areas for ESG, and the project will continue.

Since 2020, we have reviewed our commitment in many areas:

- Amer Sports was approved as a participating company of the Fair Labor Association (FLA), a multi-stakeholder initiative to improve labor and workplace conditions.

- Arc'teryx, Salomon, and Peak Performance – Amer Sports' largest apparel brands – are signatories of the United Nations Fashion Industry Charter for Climate Action (FICCA). As signatories, the brands are committed to set emissions reduction targets in line with the Paris Agreement, limiting global warming to 1.5 degrees, and have their targets validated against the Science Based Targets initiative. In the future, Amer Sports will take further actions and define Group-wide targets to mitigate climate change impacts.
- We have updated several of our policies – for instance, our Code of Conduct and Ethical Policy – and created an Anti-Corruption and Anti-Bribery Policy. Our employees have participated in mandatory Code of Conduct training to better understand the importance of the policy's key contents, and to act according to our company standards and values.

The year 2021 was exceptional in many ways for Amer Sports. Despite the challenging circumstances, we delivered record sales and results. The teamwork behind this effort and our strong financial performance give us a good foundation to strengthen our focus on sustainability. Bearing in mind that we have a long road ahead, we know that our passion and commitment will fuel the exciting journey. To invest in the wellbeing of people and our planet, we will continue to work together within the industry and with our stakeholders.

**James Zheng**  
Board Executive Director and CEO of Amer Sports



# INTRODUCTION AND BACKGROUND



# INTRODUCTION AND BACKGROUND

Amer Sports ([www.amersports.com](http://www.amersports.com)) is a sporting goods company and sports lifestyle retailer with internationally recognized brands, including Salomon, Wilson, Atomic, Arc'teryx and Peak Performance. The company's apparel and footwear products, as well as technically advanced sports equipment, improve performance and increase customers' enjoyment of sports and outdoor activities. The group's business is balanced by its broad portfolio of sports and products and a presence in all major markets. In recent years, the strategic priorities of Amer Sports have been focused on growth in the areas of soft goods, self-owned retail brand stores, e-commerce, and China business.

Amer Sports' strategy emphasizes excellence in consumer-centric product creation and enhancement of the consumer experience. Through continuous research and development, Amer Sports seeks to develop new and better sporting goods, services and experiences that appeal to both consumers and trade customers. Amer Sports aims to ensure the quality and safety of its products, make products durable while improving efficiency, and, with actions related to these areas, meet the expectations of its stakeholders and strive for continuous improvement.

Amer Sports' global operations encompass business functions from product development to product sourcing, manufacturing, and outbound logistics. Reliable, efficient, and timely supply chain management and operations are important elements of the Group's strategy. Amer Sports sells its products directly to consumers through brand stores, e-commerce, and factory outlets, as well as through trade customers in sporting goods chains, specialty retailers, and mass merchants.

As of December 31, 2021, Amer Sports' own sales organization covered 34 countries. At the end of 2021, Amer Sports had 310 (2020: 289) branded retail stores.

The offering of sports equipment, apparel, footwear, and accessories covers a wide range of sports, including running, hiking, cycling, tennis, badminton, padel, golf, American football, soccer, baseball, basketball, alpine skiing, snowboarding and cross-country skiing.

## Operations

Amer Sports sources its products from suppliers around the world, and a significant proportion of suppliers are located throughout Asia. Amer Sports manufactures one third of its products itself, approximately two thirds of the production value is outsourced, and a minor percentage is produced by partially outsourced vendors.

Amer Sports Operations is responsible for monitoring and improving the social, environmental and material compliance of its global suppliers, vendor qualification, product industrialization, contract management, price negotiations, procurement processes, optimization, and export administration for Amer Sports Group. Amer Sports publishes the list of its finished goods suppliers on the company's website and updates the list regularly. The complete list can be read [here](#)



# INTRODUCTION AND BACKGROUND

## Commitment to sustainability

Amer Sports is committed to sustainability and seeks to conduct its business in a sustainable manner, striving for continuous improvement. The company complies with applicable laws and regulations. According to the company values, Amer Sports plays fair, plays by the rules, and always seeks to do the right thing.

Amer Sports drives innovation and encourages its employees to contribute to the development of new ways of working and to share best practices to promote an innovation culture. This applies to all areas of the company, and especially to sustainability. The company focuses on continuous improvement by regularly identifying areas of improvement, setting targets, implementing specific measures, and monitoring progress.

At the beginning of 2022, Amer Sports refreshed its ESG strategy. The company reviewed materiality according to key topics, among which the company is already tracking progress in the areas such as climate change, water management, sustainable procurement, and the supply chain. Materiality assessment is a standard process to identify those areas that are considered to have an impact on Amer Sports and that are of interest to its key stakeholders. The process included industry benchmarking, as well as internal and external stakeholder interviews. From 2022 onwards, the work will continue to define the ESG ambition level, and to go further with the new KPIs and targets, as well as action plans. The 12 key topics are listed below.

## Material topics

### Environmental

- Circular economy: Materials and design for recyclability
- Circular economy: End-of-life and recycling
- Climate change (GHG Scope 1/2)
- Climate change (GHG Scope 3)
- Biodiversity
- Water

### Social

- Sustainable procurement and the supply chain
- Health & safety
- Diversity, equity & inclusion (DEI)
- Employee welfare and wellbeing
- Community engagement

### Governance

- Corporate governance
- Corporate ethics
- Transparent reporting

In 2022, Amer Sports continues to update its ESG strategy in these topics and is creating a roadmap on how to implement them.

## Brand sustainability strategies

Since 2016, Salomon has defined its sustainability vision and developed it through its strategic Play-Minded Program, aiming to support responsible practices and playing in the outdoors. The brand is now working toward new ambitions in line with its new brand purpose.



At Arc'teryx, sustainability actions are guided by a sustainability approach with commitments and targets, including science-based climate targets.



During 2021, Peak Performance worked with management to update its sustainability strategy and material topics, and to carry out a risk assessment.



Atomic is in the process of finalizing the Atomic Sustainability Strategy and its sustainable performance framework.



Wilson has conducted a sustainability baseline project and will continue building a sustainability framework.



# ENVIRONMENT

Consistent with the Amer Sports environmental guidelines, the company commits to reducing the environmental impact of its products and operations by using methods that are both environmentally responsible and economically sound.

Amer Sports strives to continuously improve its performance and assess the environmental effects of its decisions. The aim is to promote and maintain environmentally responsible practices that are beneficial to customers, consumers, employees, and the communities in which Amer Sports companies operate.

- **Environmental management**
- **Climate**
- **Products and materials**
- **Key performance indicators**

# ENVIRONMENTAL MANAGEMENT

Environmental management systems (EMS) are frameworks for identifying and measuring the environmental impacts of an organization or facility, setting targets for reducing them, and continuously improving environmental performance. Amer Sports and its brands have implemented and certified environmental management systems for many main operations.

**Salomon's headquarters**, the Annecy Design Center in Annecy, France has ISO 14001 certification for its environmental management system and ISO 50001 certification for its energy management system. The ISO 50001 standard supports organizations in all sectors in using energy more efficiently. Both certifications were renewed in 2020 for a three-year term.

**The Amer Sports Winter Sports Equipment manufacturing facility and Atomic Headquarters in Altenmarkt, Austria** is implementing an EMS and standardized target setting for reduction of its environmental impact according to ISO 14001 and the Eco-management and Audit Scheme (EMAS). The certifications are expected to be finalized in 2022. The Winter Sports Equipment category includes both the Atomic and Salomon brands.

**The Amer Sports Headquarters in Helsinki**, Finland has received WWF Green Office certification. The aim of the Green Office environmental program is to actively seek ways to reduce the environmental footprint of office operations and the employees working there.



## Environmental management in the supply chain

As a member of the Sustainable Apparel Coalition (SAC), Amer Sports utilizes the Higg Index tools to manage the environmental impacts of its supply chain. The Higg Facility and Environmental Module (FEM) is a

tool to measure the environmental performance of suppliers on topics such as environmental management systems, energy and water consumption, wastewater, air emissions, waste, and chemical management. The Amer Sports Apparel and Footwear category uses the Higg FEM to engage and build capacity with suppliers in order to enable environmental improvements. Amer Sports also started applying Higg FEM to hardgoods factories.



Arc'teryx, Peak Performance and Salomon employ the Higg Brand and Retail Module (BRM) to measure the sustainability performance of the brands. The Higg Product Module (PM) tool is used to assess the environmental footprint of materials, and the Materials Sustainability Index (MSI) tool is used to define the environmental impact of each material, in order to have a common standard for the material quotation method for tier 2 suppliers. Although apparel is the focus of the Higg Index tools, Salomon Footwear is actively collaborating with the SAC on the Higg PM and MSI tools to assess sustainability impacts of a product throughout its lifecycle.

The Amer Sports brands are committed to transparency and collaboration with its partners throughout the value chain. The Amer Sports Apparel and Footwear category requests tier 1 and 2 suppliers to complete the Higg FEM and share their results. Tier 2 manufacturers include fabric mills, dye houses, washing facilities, tanneries, outsole manufacturers, and packaging suppliers, among others. All the Amer Sports Apparel and Footwear category finished goods vendors and the vast majority (65%) of Amer Sports Apparel and Footwear material suppliers completed the Higg FEM 2020 cadence in 2021.

**Salomon** is committed to improving its product environmental footprint through a science-based approach toward most material environmental impacts. Since 2020, Salomon has conducted an extensive program to map its strategic product line impacts through 10 reference life-cycle analyses (LCA), driving its product sustainability strategy decisions. To date, Salomon has mapped four of its main footwear products, including its circular innovation Index.01, and six of its main winter sports products. These reference LCAs have been conducted with a third-party based on the European Product Environmental Footprint methodology.

**Atomic** has carried out life-cycle assessments (LCAs) for several of its main products, including different types of skis and a helmet. The LCAs are validated by a third-party to comply with the ISO 14040 and 14044 standards, and are oriented to the EN 15804 standard. The goal for 2022 is to carry out two LCAs for each product category in order to identify and set targets to reduce environmental impacts in the life cycle of Atomic products.

## The Amer Sports Apparel and Footwear category

provides training workshops for both finished goods vendors and material suppliers. The Supplier Environmental Management program initiated in 2019 with the Amer Sports Apparel and Footwear category's material suppliers, and a pilot energy efficiency project in partnership with Apparel Impact Institute's Clean by Design program, started in 2019. In 2020, Arc'teryx started a Clean by Design energy and water efficiency project with a fabric supplier. The results were used to expand the program in 2021 to include Arc'teryx mill partners. Clean by Design is an innovative program that aims to reduce environmental impacts.







Our long-term commitment to sustainability is core to who we are as a company. Our philosophy in products, responsible manufacturing, and community engagement propelled us to being among the first outdoor apparel brands – and one of the first Canadian companies – to set science-based emissions reduction targets.”

**Katie Wilson**

Director, Social & Environmental Sustainability, Arc'teryx

# CLIMATE

Amer Sports' climate impacts in its own operations include emissions from energy use at offices, brand stores, manufacturing plants and logistics centers. Additionally, Amer Sports' operations have a wider impact on the value chain, and the greatest climate impacts occur in the life cycle of Amer Sports' products: the raw material and product manufacturing, consumer use phase and end-of-life treatment.

More specifically, Amer Sports' emissions can be divided into scopes 1, 2 and 3. Amer Sports' scope 1 emissions are direct emissions caused by the use of fuels or refrigerant loss in our own operations. Scope 2 emissions occur from the production of purchased energy consumed in our own operations (electricity, steam, heating, or cooling). Scope 3 emissions are indirect upstream and downstream emissions caused in the value chain. These include, for example, emissions from purchased goods and services, upstream and downstream transportation and distribution, business travel, employee commuting, and use and end-of-life treatment of sold products.

Amer Sports conducts a corporate-wide carbon footprint assessment annually. The company participates in the Carbon Disclosure project (CDP) climate questionnaire to disclose information on carbon emissions and targets, climate-related risks and opportunities, emissions reduction activities, and sources, to reduce emissions and improve efficiency across building energy use, travel emissions, waste production, and other environmental metrics. The Amer Sports CDP Climate score improved from the previous year's score of D to C, which is an industry average, in the 2021 disclosure.



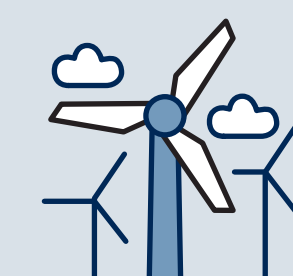
## DIRECT



### SCOPE 1

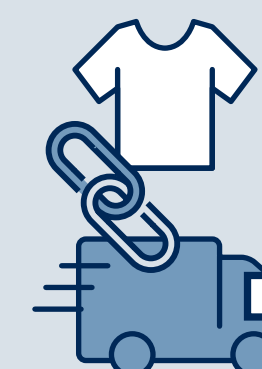
Direct ghg emissions caused by use of fuels or refrigerant loss in own operations.

## INDIRECT



### SCOPE 2

Production of purchased energy consumed in own operations (electricity, steam, heating, or cooling).



### SCOPE 3

Indirect upstream and downstream ghg emissions caused in the value chain. These include, for example, emissions from purchased goods and services, upstream and downstream transportation and distribution, business travel and use and end-of-life treatment of sold products.

# CLIMATE

## European Outdoor Group (EOG) Supply Chain Decarbonisation Project (SCDP)

In 2021, Amer Sports joined the Supply Chain Decarbonisation Project (SCDP), which is a pre-competitive collaborative initiative among ten major brands to reduce greenhouse gas emissions and increase renewable energy usage within the outdoor industry supply chain. SCDP is facilitated by the European Outdoor Group (EOG).

Launched in early 2021, the project is following a three-stage process. The first was a mapping exercise of the brands' top tier 1 and 2 supplier networks, which confirmed that there is a degree of crossover in the facilities used by those companies involved. The second stage involves the engagement of an external partner to conduct facility audits and identify greenhouse gas (GHG) emission hotspots. The final stage will see the participating organizations jointly supporting and financing facility improvements.

For more details, see [here](#)

## Fashion Industry Charter for Climate Action (FICCA)

Amer Sports' largest apparel brands, Arc'teryx, Salomon and Peak Performance, are signatories of the **UNFCCC's Fashion Industry Charter for Climate Action (FICCA)**. As signatories, these brands have committed to set emissions reduction targets approved by the Science Based Targets initiative in line with keeping global warming below 1.5 degrees and achieving net-zero emissions by 2050.

The mission of FICCA is to drive the fashion industry toward net-zero greenhouse gas emissions no later than 2050. As part of FICCA, the fashion industry stakeholders have a role to play in reducing the climate emissions resulting from their operations, with an awareness that the majority of climate impacts within the industry lies in the manufacture of products and materials. As members of FICCA, Amer Sports' Apparel brands measure supply chain emissions using the Higg Index tools and continuously strive to reduce these scope 3 emissions.

Amer Sports' apparel brands are active members in FICCA's working groups as well, including the Decarbonization, Raw Material, Logistics, Manufacturing/Energy and Promoting Broader Climate action working groups. Since 2021, FICCA signatories have been requested to report on their progress in GHG emissions reductions by disclosing through the CDP Climate questionnaire.

**Arc'teryx** has set ambitious emissions reduction targets approved by the Science Based Targets initiative. Arc'teryx will reduce its absolute scope 1 and 2 GHG emissions by 65% by 2030, from the base year of 2018. This refers to reducing emissions in the Arc'teryx headquarters, Canadian production facility, and its global retail stores. The brand's commitment to science-based targets includes reduction of scope 3 GHG emissions by 65%, by 2030, from the base year of 2018. This means reducing the carbon emissions per unit of value added to its business value chain, including all the carbon emissions related to all of the company's materials, products, factories, mills, shipping, and distribution centers.

Progress towards the targets is reported annually in the Arc'teryx Climate Repoer, available [here](#). Since 2020, Arc'teryx has been purchasing electricity produced with 100% renewable energy for all its own operations, including all retail stores. In 2021, this was done via the Renewable Energy Credit mechanism.

In August 2020, **Salomon** committed to setting science-based climate targets. In 2021, Salomon set new ambitious emissions reduction targets and submitted them to the Science Based Targets initiative to be validated in S1/2022. Salomon commits to a 50% absolute reduction of GHG emissions for scopes 1 and 2, and a 30% absolute reduction for scope 3 by 2030 from a 2019 baseline, and to achieving carbon neutrality by 2050.

Salomon has committed to the French initiative FRET21 for decarbonization of logistics. Through this, Salomon committed to reducing its French transportation emissions by 15% by 2022. Salomon is a member of the Snowsports Industry Association (SIA) ClimateUnited coalition and has signed SIA's Climate Pledge.

In 2021, Salomon unveiled a set of ambitious sports marketing commitments for more responsible events and athletes. Through this, Salomon committed to measuring, reducing (by 30%), and offsetting the remaining carbon travel emissions of its international athletes by 2025.

# CLIMATE

Salomon reached its target that its headquarters, the Annecy Design Center (ADC), would become carbon neutral starting from 2021. The continuing ADC decarbonization plan includes the following by 2025:

- 30% reduction of carbon emissions for the ADC
- 100% renewable electricity starting from November 2021
- Solar panel installation (92MWh) by 2022
- Switching to a low carbon vehicle fleet
- Reduce travel
- Offsetting ADC's remaining carbon emissions starting from 2021

**Peak Performance** is a founding member of the Swedish Textile Initiative for Climate Action (STICA), which measures its greenhouse gas impacts in scopes 1, 2, and 3, and communicates them for a total of 45 Nordic brands. STICA is working to reduce environmental impacts and achieve science-based targets in line with the Paris Agreement. Peak Performance is a member of STICA and its steering committee, and several working groups, dedicated to energy, materials and the user phase of products by consumers.

One of the biggest achievements for STICA in 2021 was having almost all the brands calculate their scope 3 emissions. In addition, industry-level work was started to have dialogue with politicians and policy makers in order to have influence based on knowledge from the industry.

In December 2021, Peak Performance committed to setting emissions reduction targets approved by the Science Based Targets initiative. The aim is to have the targets approved during 2022.

**The Winter Sports Equipment manufacturing facility in Altenmarkt** has several ongoing projects to increase energy efficiency in its processes, such as efficient vacuum pumps, environmentally friendly compressors, and wastewater treatment. It applies innovative measures to reducing its carbon footprint by increasing the recycling of waste. The heating energy for the ski factory comes solely from biomass, and electrical power for the plant has been produced with 100% renewable energy for many years. Implementation of LED lighting was completed in the production areas in 2021. Every year, the Altenmarkt factory actively works toward finding new ways to reduce waste or the use of energy.





Salomon is committed to traceability of its products and collaborates closely with its value chain partners. With Higg Index tools, we can work together in the industry to increase transparency.”

**Marie-Laure Piednoir**

Salomon Sustainability Program Manager, Salomon

# PRODUCTS AND MATERIALS

Amer Sports is committed to international, regional, and country-specific laws and regulations that limit the chemical contents of the materials used in Amer Sports products. The company is also proactively protecting the environment and consumers’ health.

## Material Compliance Policy

In 2019, Amer Sports created the Material Compliance Policy (MCP). Its key purpose is to manage the chemicals and ethical sourcing of materials used in the products of its brands, and the chemical impacts of product manufacturing.

The MCP explains the company’s expectations and requirements for materials, as well as acceptable verification methods that Amer Sports imposes on its suppliers. The MCP applies to all Amer Sports brands and product categories.

The content of the MCP includes Restricted Substance List (RSL), Testing and Certification Requirements and Ethical Sourcing Requirements, in addition to Chemicals Management. The RSL contained in the MCP applies to all Amer Sports brands, products and product categories, except for Apparel & Gear, as it is a bluesign® system partner which relies on the bluesign® system, including the bluesign® RSL. Bluesign® is a holistic system that provides solutions in sustainable processing and manufacturing to industries and brands.



Amer Sports updates the MCP regularly, and the most recent update in 2021 included a simplified RSL structure for product

categories other than Apparel & Gear, added requirements regarding sandblasting and nanotechnology to the Ethical Sourcing Requirements for Apparel & Gear products, updated penalty provisions for noncompliant materials, and clarified REACH certification. REACH is the European Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals. The complete Material Compliance Policy document is available [here](#)

## Sustainable materials

Amer Sports and its brand companies are actively searching for new and more sustainable solutions for materials and substances used in products. For instance, Amer Sports and its brands have voluntarily restricted or phased out the use of perfluorinated compounds (PFCs) and are continuously seeking more sustainable options.

Arc’teryx and Salomon are members of Textile Exchange, a global nonprofit organization that creates leading industry standards, as well as collect and publish critical industry data and insights that enable brands and retailers to measure, manage and track their use of preferred fiber and materials.

Salomon has been working closely with its strategic partner Gore-Tex to integrate Gore Tex’s innovative membrane ePe, a fully PFC-free membrane with low carbon impact, into its upcoming 2022 and 2023 collections.

# PRODUCTS AND MATERIALS

**Arc'teryx** cooperates with the University of British Columbia to research alternatives to PFCs, which are used in outdoor fabrics to repel oil and water. This research aims to create more sustainable and non-toxic replacements for traditional water-repellent chemicals, and great progress has been made toward creating one of the world's first non-toxic oil and water-repellent performance textile finishes.

Arc'teryx has developed a roadmap to guide design teams in switching to more sustainable fibers and materials. The Arc'teryx Materials Team has also developed a Preferred Materials and Trims Roadmap to guide material developments. This roadmap will be adopted in the production of high-volume products, creating the maximum impact on the environment.



“We are devoted to reaching 30% circular products by 2023 and 100% by 2030. We will ensure full value chain transparency, with a plan for every product.”

**Åsa Andersson**  
Sustainability Manager, Sourcing and Production, Peak Performance

**Peak Performance** has set the goal to achieve 100% more sustainable materials by 2026, and it has set the following targets for the use of selected materials:

- 100% sustainable cotton
- 100% Responsible Standard Down (RSD)
- 100% share of PFC free in Durable Water Repellent (DWR) treatments

By the end of 2021, Peak Performance reached 99.7% use of sustainable cotton, 100% use of Responsible Standard Down, and a 91% share of PFC free Durable Water Repellent treatments. Peak Performance will update the full strategy for materials by 2025, and the strategy will include new KPIs and a roadmap with a year-by-year plan for fibers, processes, circularity and innovation.

Bluesign has conducted a Bluesign® assessment for Peak Performance, with focus on the following categories: policy, suppliers, materials, chemistry, engagement and goals. Bluesign® has conducted a Bluesign® assessment for Peak Performance, with a focus on policy, suppliers, materials, chemicals, engagement, and goals. Peak Performance was categorized by Bluesign® in the developing company/member category by this gap analysis.

**Salomon** has reached its goal of having its entire footwear range PFC-free or PFC-ec-free. Starting in spring/summer 21, all Salomon bags are 100% PFC-free. Salomon snowboards are 100% PVC-free. The goal is to have PFC-free gear in 2022 and PFC-free winter sports and apparel in 2025.

Salomon footwear uses Leather Working Group, LWG-certified (gold or silver) leather for its shoes.

Cardboard boxes in packaging are made of 100% Forest Stewardship Council (FSC) certified materials, which means that all the materials with this label are sourced from forests that have been audited by an independent third-party to confirm they are managed according to FSC's rigorous social and environmental standards.

In the fall/winter 2021 collection, 70% of the fabrics used by the Salomon apparel range were either OEKO-TEX certified or bluesign® fabrics. OEKO-TEX is a label for textiles tested for harmful substances.

# PRODUCTS AND MATERIALS



## Circular economy principles

Amer Sports has defined its Circular Economy Principles, and these principles have been created to encourage all the brand companies to adopt circular economy practices. The circular economy is about closing the loop in business, by using resources in a way that ensures they are kept in circulation. This will reduce waste, increase resource productivity, and help reduce environmental impacts, as is in line with Amer Sports' environmental guidelines.

As part of the Amer Sports Group's circular economy principles, the brands are actively seeking new alternatives on how to reduce the environmental impacts of products and how they could be re-used or kept in circulation in other ways. With the following concrete examples, Amer Sports' brands illustrate how these principles are put into practice.

**Arc'teryx** is known for its durable and high-quality products and has created a used-gear marketplace to extend the lifespan of these products. Customers can mail in or bring their used gear to any Arc'teryx brand store across the U.S. The Used Gear program includes an online take-back option in Canada. The products are then cleaned and repaired and put back into circulation. As the Used Gear program matures, Arc'teryx anticipates extending the model to other countries. A used-gear marketplace reduces the company's impact on the planet by keeping good products out of landfill and in use, while accelerating the company's transition toward a circular economy.

Beginning in 2020, Arc'teryx developed and launched several upcycled products made from leftover, end-of-roll materials. The products are made from both pre-consumer waste (end-of-roll materials) and post-consumer waste from jackets that are no longer usable.

Arc'teryx opened the first ReBird™ Service Center in its latest New York store in November 2021. The Broadway store is the first of its kind to offer Arc'teryx retail sales along with complimentary on-site product assessment, care and education; a technical wash service; DWR fabric renewal; and simple repairs on-site. The Service Center is part of the ReBird™ program – an initiative that connects customers to the brand's ongoing commitment to circularity, including upcycling, resale, and care and repair.

In October 2021, Arc'teryx hosted a Circular by Design event in New York City to bring attention to circularity in fashion, which means designing waste and pollution out of systems to respect the limits of a finite planet. The event included a sustainability roundtable discussion featuring Arc'teryx sustainability professionals and designers. Workshops where attendees created their own waist bag, tote bag, or pencil case out of cast-away materials, such as end-of-the-roll and "worn beyond optimum" materials sourced from the Arc'One manufacturing facility, were also held at the event.

# PRODUCTS AND MATERIALS

**Salomon** launched the Index.01 running shoe for spring/summer 2021, which is a fully recyclable shoe model. Salomon has organized the take-back of the products directly from its consumers. The entire shoe can be separated into two parts at the end of its life. The bottom unit can be ground into tiny pieces and then used in the creation of a Salomon alpine ski boot or other products. The upper part, made from polyester, can be recycled into other products.

With the new concept, Salomon is able to create athletic shoes that drastically reduce the impact on the planet, while at the same time expanding the lifespan of the materials used. Most traditional footwear constructions rely on multiple materials, making them difficult to fully recycle. Both the Amer Sports Winter Sports Equipment brands, Atomic and Salomon, continuously investigate how they can increase the use of recycled materials in their boot manufacturing processes. Recently, they have developed processes to increase the use of recycled plastic in ski boot constructions. The amount of recycled materials used in production is expected to increase.

Committed to scaling up its circular innovations, Salomon is developing a full range of circular shoes, with the Index Break, a flip-flop version of the Index.01, and upcoming running shoes to be announced in 2023. Salomon is also developing the concept of a fully recyclable helmet and several other fully recyclable winter sports gear.

Salomon continues to develop a second-hand market through its outlets, where Salomon sells second-hand ski gear taken back from its retailers at the end of each season.



In order to drive its circularity to the next level, since 2020, Salomon has developed a comprehensive three-level responsible product framework:

- Level 1: Champions of responsible innovation and performance – Salomon’s north star products, expressing its best ambitions in recycling, clean sourcing and durability
- Level 2: Progress - distinctive progress in eco-design
- Level 3: Basics for all - incremental improvements applicable to all our products: more sustainable materials, chemicals and packaging

**Peak Performance** has created a circularity grading system in order to classify its products into three different levels according to their maturity. Calculations are in progress to carry out the classification for all products.

The products are classified into three different levels according to their maturity:

- Level 1: Started to explore the principles
- Level 2: Half-way through
- Level 3: Practicing all principles, and have a full life-time plan for the product

# PRODUCTS AND MATERIALS

To reduce waste, Peak Performance has launched a project to explore, in its supply chain, how to reduce its packaging used in transportation. The actions include doing research on introducing recycled polybags, changing methods of folding clothes to reduce the number of polybags, and conducting a survey for all Peak Performance stores to have more insight into practices, in order to improve waste handling.

Peak Performance works to reduce the number of product samples used for marketing, considering this initiative from a cost and sustainability perspective. For the fall/winter 2021 collection, Peak Performance started cooperation with a company that provides 3D sampling solutions.

In June 2021, Peak Performance launched its first secondhand store, offering used products to the end consumer. This first pilot program was a physical store in connection with the Peak Performance brand store in Stockholm city center.

**Global Fashion Agenda** invited Peak Performance to participate in a circular project in Bangladesh in December 2020. This is a project together with Reverse Resources, BGMEA, P4G, fiber recyclers, and 20+ brands investigating the possibilities of collecting scrap from production and recycling it into new fibers, and looking into finding good opportunities for deadstock. Research recently found that the total textile waste in Bangladesh is approximately 577 thousand tons, and the aim of the project is to find uses for this waste, which has value.

The project has tracked all the collected fibers using a digital tool, shares what it has learned, and sees the opportunities for being more circular. Peak Performance has four suppliers in Bangladesh, representing almost 30% of its total production, and two of them have joined the project. Planning with suppliers on how to use waste in production has already started.

The project ended at the end of 2021 but work will continue during 2022, and the aim is that the lessons learned can be implemented in other countries, such as Vietnam.





# PRODUCTS AND MATERIALS



## Wilson

In 2021, Wilson Tennis launched the limited-edition Naked Series Rackets, which are paint and dye free with zero packaging waste. Bio-based Agiplast was introduced on each racket's bumpers, grommets and buttcaps – now standard in all of Wilson's new performance racket releases to help reduce waste while maintaining high performance.

Wilson and RecycleBalls partner to collect, recycle and repurpose tennis balls across the United States. The Wilson/RecycleBalls partnership aims to recycle 15 million tennis balls in the U.S. from 2019 to 2025. The balls that were specifically collected at the 2020 Western & Southern & US Open tournaments were separated, ground up, and used to resurface courts. These courts were tournament courts at the 2021 Western & Southern Open, along with a second community court in Queens, New York.

Additionally, Wilson Team Sports has plans to launch basketball product lines utilizing recycled material in its basketballs and its packaging. This will be done in conjunction with packaging reduction efforts of removing protective poly bags and using smaller packaging by shipping the basketballs deflated to the consumer.

**The Winter Sports Equipment (WSE)** category has started an ambitious life-cycle assessment (LCA) project for skis, led by the Atomic brand in Altenmarkt. This builds on Salomon's winter sports sustainability strategy set in 2020, which aims to drive sustainability through science-based decisions. Through this strategy, Salomon has set an ambitious life-cycle analysis roadmap, whereby Salomon has already mapped six main winter sports products (e.g. skis, ski boots) to date as a reference to inform its strategic decisions.

The target is to identify the factors that cause the most significant environmental impacts in skis. The LCA includes material flow analysis, energy demand, and logistics, as well as transportation of goods, materials and personnel. Looking forward, all product development departments will be introduced to a deeper understanding of and adaptation to sustainable development aspects in the product design process. Atomic is exploring a ski recycling project, and how to re-use or utilize the materials and different components used in products. The project was initiated in 2020 and continued in 2021. Atomic has also launched research on how to use alternative materials for different ski parts.

# KEY PERFORMANCE INDICATORS

Amer Sports measures its performance in environmental impacts with key performance indicators (KPIs), and aims to continuously reduce the environmental impacts of its operations. Progress in the selected KPIs is tracked annually.

Offices and stores were closed for various time periods during 2021 due to covid restrictions and this continued to affect reported energy consumption, waste and water figures. However, estimation of waste and water amounts was expanded to include more brand stores and offices, and this caused increases in waste and water amounts.

## About the boundaries and methodology

For the environmental indicators, Amer Sports has consolidated all the sites using operational control principle. This means that all the entities and facilities under operational control of Amer Sports or its brand companies were included in the assessment.

Emissions calculation methodology is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised edition, 2004) and ISO 14064-1 (2006).

A similar methodology to previous years was used to extrapolate figures where data was relevant but missing. Data from the previous year was scaled according to KPIs (floor area and full-time employees), or group-level averages for similar sites and countries. Estimation is mostly used for consumption data of stores and offices, while actual data is collected for headquarters, manufacturing and logistics facilities. In the assessment the materiality threshold of 5% was used for Scope 1 and 2. All emissions →1% were included.

In the assessment the used emissions factor data sources are: International Energy Agency (IEA), OECD/IEA (2021), European Energy Agency (2020), BEIS UK Government conversion factors for Company Reporting (2021), and region-specific emissions factors.

| Energy consumption (MWh)           | 2019    | 2020    | 2021    |
|------------------------------------|---------|---------|---------|
| <b>Direct energy consumption</b>   |         |         |         |
| Fuels                              | 208     | 46      | 8       |
| Natural gas                        | 52,400  | 33,861  | 32,924  |
| <b>Indirect energy consumption</b> |         |         |         |
| Electricity                        | 77,030  | 64,417  | 64,845  |
| District heating and cooling*      | 8,492   | 10,726  | 8,568   |
| Total energy consumption (MWh)     | 138,130 | 109,050 | 106,345 |
| Total non-renewable energy         | 122,787 | 84,332  | 82,367  |
| Total renewable energy             | 15,344  | 24,718  | 23,978  |
| % of renewable energy              | 11.1%   | 22.7%   | 22.6%   |
| Change in total consumption (%)    | 24.7%   | -21.1%  | -2.5%   |

| Greenhouse gas emissions (tCO <sub>2</sub> e)        | 2019    | 2020    | 2021                 |
|--|---------|---------|----------------------|
| Scope 1  | 12,286  | 8,715   | 7,706                |
| Scope 2 (market-based)**                             | **      | 21,923  | 18,652               |
| Scope 2 (location-based)                             | 27,390  | 23,485  | 22,092               |
| Total scope 1 and 2 emissions (tCO <sub>2</sub> e)** | 39,677  | 30,638  | 26,358               |
| Net sales (mEUR)                                     | 2,508.6 | 2,206.4 | 2,599.1              |
| Intensity (tCO <sub>2</sub> e/mEUR)                  | 15.8    | 13.9    | 10.1                 |
| FTE  | 8,800   | 8,425   | 8,844                |
| Intensity (tCO <sub>2</sub> e/FTE)                   | 4.5     | 3.6     | 3.0                  |
| Scope 3  | 16,443  | 6,174   | 427,942 <sup>^</sup> |

| Waste (t)                              | 2019   | 2020  | 2021   |
|--|--------|-------|--------|
| Recycling and reuse                    | 4,583  | 3,209 | 2,945  |
| Composting (incl. anaerobic digestion) | 57     | 27    | 118    |
| Incineration                           | 2,732  | 1,983 | 3,967  |
| Landfill                               | 4,165  | 1,877 | 4,542  |
| Total amount of waste                  | 11,538 | 7,092 | 11,572 |
| Waste recycled or reused (%)           | 40 %   | 45 %  | 26%    |

| Water (m <sup>3</sup> )                 | 2019    | 2020   | 2021    |
|---|---------|--------|---------|
| Total volume of water used <sup>^</sup> | 117,629 | 95,074 | 115,619 |

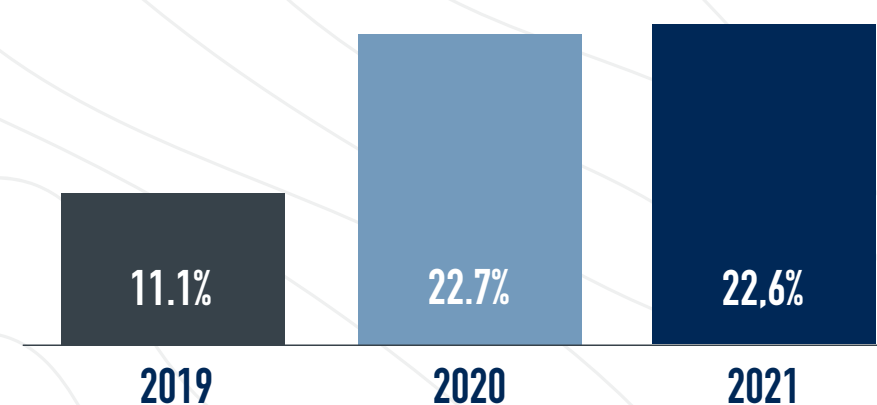
\* District heating includes heating from biomass

\*\* Starting in 2020, market-based scope 2 figures are reported and included in the total scope 1 and 2 emissions  
Market-based scope 2 emissions include market-based instruments such as renewable energy purchases

<sup>^</sup> [Read more in the Amer Sports GHG Inventory Report 2021](#)

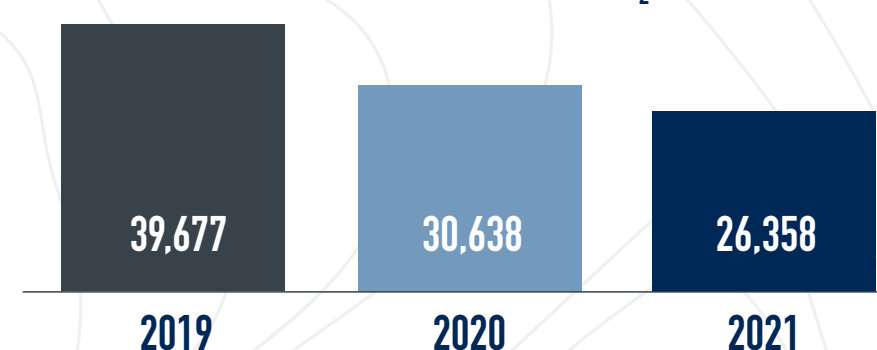
Net Sales 2021 refers to continuing operations, excluding Suunto. Environmental figures for 2021 also exclude Suunto.

## % OF RENEWABLE ENERGY

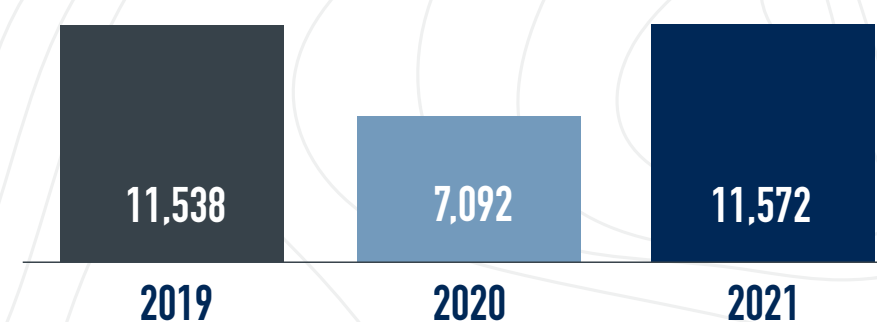


## GREENHOUSE GAS EMISSIONS

### TOTAL SCOPE 1 AND 2 EMISSIONS (tCO<sub>2</sub>e)\*\*



## TOTAL AMOUNT OF WASTE (T)



# SOCIAL

Amer Sports has almost 9,000 employees around the world and operations in 34 countries, employing people of different nationalities and cultures. The company's extensive supply chain expands the number of employees under the company's indirect influence to an even greater extent. Amer Sports expects its whole value chain, from its own operations to its sourcing partners, to adhere to international standards for human and labor rights.

Amer Sports provides a safe workplace and promotes equal opportunities and diversity, and the company has zero tolerance for discrimination. Amer Sports is committed to the wellbeing of its employees and promotes a positive safety culture at work. The company actively collaborates with its vendors, it monitors the performance of suppliers, and it provides training to help ensure that the company meets its standards for human rights and a healthy and safe workplace.

- **Employee matters**
- **HR key performance indicators**
- **Human and labor rights**
- **Amer Sports' measures during the Covid-19 pandemic**

# EMPLOYEE MATTERS

Amer Sports' People Strategy aims to ensure sustainable business success, and it is aligned with the Group strategy, business initiatives, and selected focus areas. The People Vision defines passion and professionalism as sources for great performance and productive engagement.

Amer Sports is committed to providing opportunities for continuous development and learning for all its employees, since passionate and capable people perform and excel. The company evaluates and develops the company's strategic capability areas systematically to drive organizational and personal growth and effectiveness. Amer Sports has a Strategy, Structure and Capability Review practice in place in all its entities, to ensure alignment between company strategy and structure, people and culture. The long-standing aim is to enable resource fluidity through agile resource management actions, as well as to increase transparency for future capability and resource needs.

A high-performance culture is enforced through coaching dialogue and motivational pay and performance management processes. Amer Sports cascades its vision and strategy to organizational levels through a performance management process called Coaching for Success. This process provides employees with the opportunity to have a one-to-one performance and development discussion with the manager/team lead and encourages an ongoing feedback dialogue.

In 2021, the Coaching for Success completion rate was 91% of the total workforce (2020: 82%). Amer Sports continuously aims

to improve its Coaching for Success quality and completion and to have all Amer Sports employees covered in the global Human Resources performance process. Talent engagement and retention is enabled through systematic talent management and succession planning practices.

As of December 31, 2021, the total number of employees was 8,844, of which 55.7% were men and 44.3% women.

The global Covid-19 pandemic continued to create health challenges for all companies during 2021. Amer Sports has addressed contingency and resilience plans, as well as granting protection of employees and workplace safety since the start of the Covid-19 pandemic. A large part of the workforce was working remotely, and many extra health and safety measures were undertaken throughout the year to protect both people's well-being and the business. In parallel, 'Future Work' plans were developed and launched across Amer Sports to articulate the company's standards for continued flexible work arrangements.

The company has closely monitored the global and local public health situation. Amer Sports has set global policies, and all locations have defined clear accountabilities with the flexibility to adjust to local authorities' guidance. Importantly, daily operations have continued with little interruption, and Amer Sports remains agile in preparing future working models that combine office, remote work, and limited business travel for the safety of employees and partners.



# HR KEY PERFORMANCE INDICATORS

| Employees by gender   | 2019  | %    | 2020  | %    | 2021  | %    |
|-----------------------|-------|------|-------|------|-------|------|
| Male                  | 4,997 | 56.8 | 4,771 | 56.6 | 4,929 | 55.7 |
| Female                | 3,803 | 43.2 | 3,654 | 43.4 | 3,915 | 44.3 |
| Personnel at year end | 8,800 |      | 8,425 |      | 8,844 |      |

| Employees by age group | 2019 |       |        | 2020 |       |        | 2021 |       |        |
|------------------------|------|-------|--------|------|-------|--------|------|-------|--------|
|                        | %    | Male  | Female | %    | Male  | Female | %    | Male  | Female |
| 17 and under*          | 0.3  | 17    | 11     | 0.2  | 11    | 7      | 0.3  | 14    | 14     |
| 18-25 years            | 13.3 | 640   | 532    | 12.0 | 564   | 443    | 13.7 | 687   | 525    |
| 26-35 years            | 31.2 | 1,487 | 1,254  | 30.8 | 1,404 | 1,193  | 30.9 | 1,462 | 1,269  |
| 36-45 years            | 25.7 | 1,331 | 933    | 27.0 | 1,317 | 957    | 25.8 | 1,284 | 995    |
| 46-55 years            | 18.4 | 963   | 658    | 18.6 | 918   | 650    | 18.0 | 897   | 694    |
| Over 55 years          | 11.1 | 559   | 415    | 11.4 | 557   | 404    | 11.3 | 585   | 418    |

\* Apprentices etc.

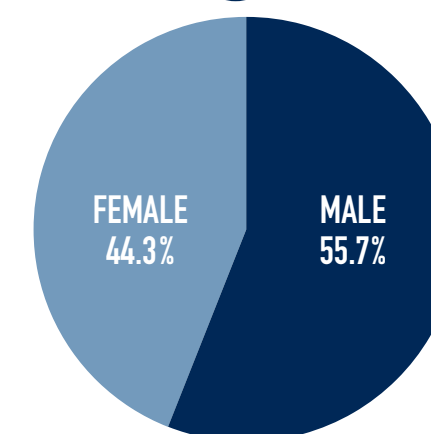
| Turnover of employees | 2019  | 2020  | 2021  |
|-----------------------|-------|-------|-------|
| Terminations total*   | 1,344 | 1,364 | 1,054 |
| %                     | 15    | 16    | 12    |

\*Excluding operative employee types and excluding end of fixed term contract terminations

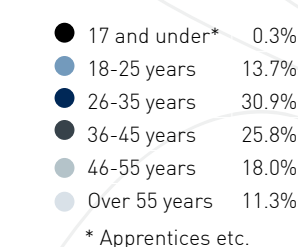
| Hourly and salaried personnel | 2019 |       |        | 2020 |       |        | 2021 |       |        |
|-------------------------------|------|-------|--------|------|-------|--------|------|-------|--------|
|                               | %    | Male  | Female | %    | Male  | Female | %    | Male  | Female |
| Hourly                        | 34.2 | 1,637 | 1,372  | 33   | 1,518 | 1,266  | 34.6 | 1,663 | 1,398  |
| Salaried                      | 65.8 | 3,360 | 2,431  | 67   | 3,253 | 2,388  | 65.4 | 3,266 | 2,517  |
| Permanent                     | 85.0 | 4,330 | 3,149  | 86.5 | 4,226 | 3,061  | 85.1 | 4,313 | 3,217  |
| Temporary                     | 15.0 | 667   | 654    | 13.5 | 545   | 593    | 14.9 | 616   | 698    |

| Personnel by region | 2019 |       |        | 2020 |       |        | 2021 |       |        |
|---------------------|------|-------|--------|------|-------|--------|------|-------|--------|
|                     | %    | Male  | Female | %    | Male  | Female | %    | Male  | Female |
| EMEA                | 51.1 | 2,714 | 1,783  | 50.0 | 2,541 | 1,672  | 48.0 | 2,534 | 1,736  |
| Americas            | 36.6 | 1,749 | 1,468  | 37.0 | 1,715 | 1,428  | 38.0 | 1,819 | 1,536  |
| Asia Pacific        | 12.3 | 534   | 552    | 13.0 | 515   | 554    | 14.0 | 576   | 643    |

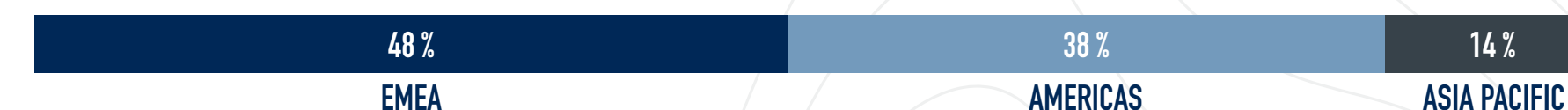
## EMPLOYEES BY GENDER 2021



## EMPLOYEES BY AGE GROUP 2021



## PERSONNEL BY REGION 2021



| Personnel by country | 2019         | %    | 2020         | %    | 2021         | %    |
|----------------------|--------------|------|--------------|------|--------------|------|
| USA                  | 1,529        | 17.4 | 1,576        | 18.7 | 1,736        | 19.6 |
| Canada               | 1,465        | 16.6 | 1,373        | 16.3 | 1,420        | 16.1 |
| Austria              | 884          | 10.0 | 823          | 9.8  | 860          | 9.7  |
| France               | 923          | 10.5 | 892          | 10.6 | 851          | 9.6  |
| Bulgaria             | 732          | 8.3  | 637          | 7.6  | 672          | 7.6  |
| China                | 480          | 5.5  | 456          | 5.4  | 598          | 6.8  |
| Germany              | 418          | 4.8  | 428          | 5.1  | 421          | 4.8  |
| Sweden               | 332          | 3.8  | 311          | 3.7  | 305          | 3.4  |
| Japan                | 289          | 3.3  | 285          | 3.4  | 290          | 3.3  |
| Poland               | 236          | 2.7  | 244          | 2.9  | 250          | 2.8  |
| Mexico               | 223          | 2.5  | 193          | 2.3  | 198          | 2.2  |
| United Kingdom       | 147          | 1.7  | 134          | 1.6  | 149          | 1.7  |
| Italy                | 115          | 1.3  | 114          | 1.4  | 117          | 1.3  |
| Norway               | 125          | 1.4  | 110          | 1.3  | 110          | 1.2  |
| Switzerland          | 112          | 1.3  | 107          | 1.3  | 102          | 1.2  |
| Finland              | 116          | 1.3  | 110          | 1.3  | 90           | 1.0  |
| Spain                | 80           | 0.9  | 78           | 0.9  | 85           | 1.0  |
| Other countries      | 594          | 6.8  | 554          | 6.6  | 590          | 6.7  |
| <b>Total</b>         | <b>8,800</b> |      | <b>8,425</b> |      | <b>8,844</b> |      |

| Employees trained for Code of Conduct (%) | 2021 |
|---|------|
|   | 66.9 |



Amer Sports continuously improves its social and labor programs and, as a member of the Fair Labor Association, the company has strong support for it.”

**Manfred Mittler**

Director Sustainability, Sourcing and Manufacturing,  
Amer Sports Supply Chain

# HUMAN AND LABOR RIGHTS

Amer Sports’ global supply chain is a complex network with proprietary operations, supplier partners and employees in different countries who all work diligently on the company’s products. The Amer Sports Supply Chain with its Amer Sports Vendor Sustainability team is responsible for monitoring and controlling labor practices and ensuring they meet the requirements set in the Amer Sports Ethical Policy, and the company’s commitment to human rights in the spirit of internationally recognized social and ethical standards, including ILO Standards and the United Nations’ Universal Declaration on Human Rights. This holds true especially for women, children and migrant employees. Amer Sports shares this commitment within its entire supply chain to treat employees with respect and dignity from proprietary operations to supplier employees.

Amer Sports is dedicated to continuously improving its performance regarding labor, workplace conditions and environmental issues in its supply chain. The company aims to engage in business only with companies that meet its standards for ethical operations and comply with the applicable laws and regulations for labor, workplace conditions and environmental compliance, as defined in the Ethical Policy. This policy applies to Amer Sports self-owned manufacturing facilities and vendors alike. The Ethical Policy is embedded into the supplier agreement, which is signed by suppliers to confirm their compliance with the Policy.

**Fair Labor Association – FLA**

Amer Sports has been a member of the internationally recognized Fair Labor Association (FLA) as a Participating Company since June 2020. Through FLA membership, Amer Sports has access to support from the FLA to improve its social labor program. Amer Sports’ finished goods suppliers are subject to external independent assessments by FLA’s Sustainable Compliance Methodology (SCI) every year.

Amer Sports pursues accreditation by the FLA by implementing FLA’s Principles of Fair Labor and Responsible Sourcing, including reinforcing its social compliance and monitoring program according to the FLA’s Code of Conduct and benchmarks. Amer Sports is also assessed regularly against these principles. Membership of the FLA shows the company’s commitment to upholding human rights in its global supply chain, as it is one of the most rigorous social and labor programs in the industry to protect workers’ rights globally, driving long-term improvements through training and education, worker engagement, and integration into sourcing practices.

In 2021, Amer Sports reviewed its Ethical Policy, and it is fully aligned with the FLA standards. All Amer Sports suppliers sign and confirm compliance with the Ethical Policy.

# HUMAN AND LABOR RIGHTS

## Third-party audit program to help suppliers meet Amer Sports standards

The Amer Sports Vendor Sustainability team ensures that suppliers follow Amer Sports' standards for ethical operations. Amer Sports procures third-party audits to help sourcing partners comply with industry standards, regulations, and Amer Sports' expectations with regards to health and safety, as well as to environmental and social responsibility.

In Asia, Europe and the Middle East (EMEA), the number of audits conducted by the end of 2021 represented 96% of total purchases (2020: 96%).

## Social and Environmental Compliance Benchmarks

Social and Environmental Compliance Benchmarks provide detailed information on how employers comply with Amer Sports' standards, as supplemented by the Compliance Benchmarks and all applicable national and international laws, rules, legal regulations and industry best practices. This program applies to Amer Sports self-owned operations facilities alike.

The program ensures that suppliers comply with the social labor standards in the Ethical Policy throughout the supplier management cycle. The Social and Environmental Compliance Benchmarks are available [here](#)

## Key elements of the Amer Sports audit program

Under the audit program, existing and new suppliers of Amer Sports brands, as well as Amer Sports' proprietary manufacturing facilities, are audited by a third-party audit company according to the following procedure:

- The Amer Sports Vendor Sustainability team provides training on social and labor standards defined in the Amer Sports Ethical Policy and the audit procedures. Training is conducted during the onboarding process and on a regular basis when any policies and procedures are revised.
- New suppliers are audited to ensure that minimum requirements are met, and corrective actions are implemented before orders can be placed. Existing suppliers are subject to regular third-party audits to ensure the suppliers' compliance with labor regulations, industry standards, and health and safety practices in workplaces.
- If improvement opportunities/needs are identified in an audit or through other means, factories conduct a root cause analysis and develop a corrective action plan to address the findings. The audit findings are categorized into different risk levels, indicating the priorities of the corrective actions to be taken. Re-audits are required to verify the improvements, depending on the severity of the improvement opportunities/needs.

- In the case of systemic issues, Amer Sports collaborates with stakeholders, including industry peers, in developing joint capacity building programs to support vendors for systematic remediation and continuous improvement. For example, Amer Sports has commissioned independent workers' surveys on selected labor issues at factories and worked together with the factories for improvements.
- Amer Sports employs a social labor scoring system to track the performance of suppliers. The scores are part of both strategic vendor development plans and the regular monthly performance review cycles.

# HUMAN AND LABOR RIGHTS

## Grievance process

Amer Sports implements a grievance-handling procedure to manage grievances from external third-parties or individual workers regarding working conditions.

## Cooperation with organizations

To strengthen its commitment and further improve its monitoring programs, as well as its suppliers' performance, Amer Sports is an active member of several non-governmental organizations.

## Sustainable Apparel Coalition

Amer Sports has been a full member of the Sustainable Apparel Coalition (SAC) since 2018 and is a signatory of the Social Labor Convergence Project (SLCP), which is a multi-stakeholder project aiming to improve labor conditions in the apparel and footwear industry and reduce duplicated audits

## Better Work

Amer Sports collaborates with Better Work, an ILO program, in different capacity-building activities for our vendors, such as collective bargaining. The collaboration includes the Better Factory Cambodia initiative. Additionally, it provides access to Better Work's working conditions assessment reports and coaching and training plans, and it facilitates monitoring of the improvement progress done by Better Work at facilities.

Some Amer Sports suppliers are participating in the Better Work program for advisory, training and assessment services. Amer Sports follows the Better Work improvement program at the suppliers, making sure reported social labor issues are fully remediated

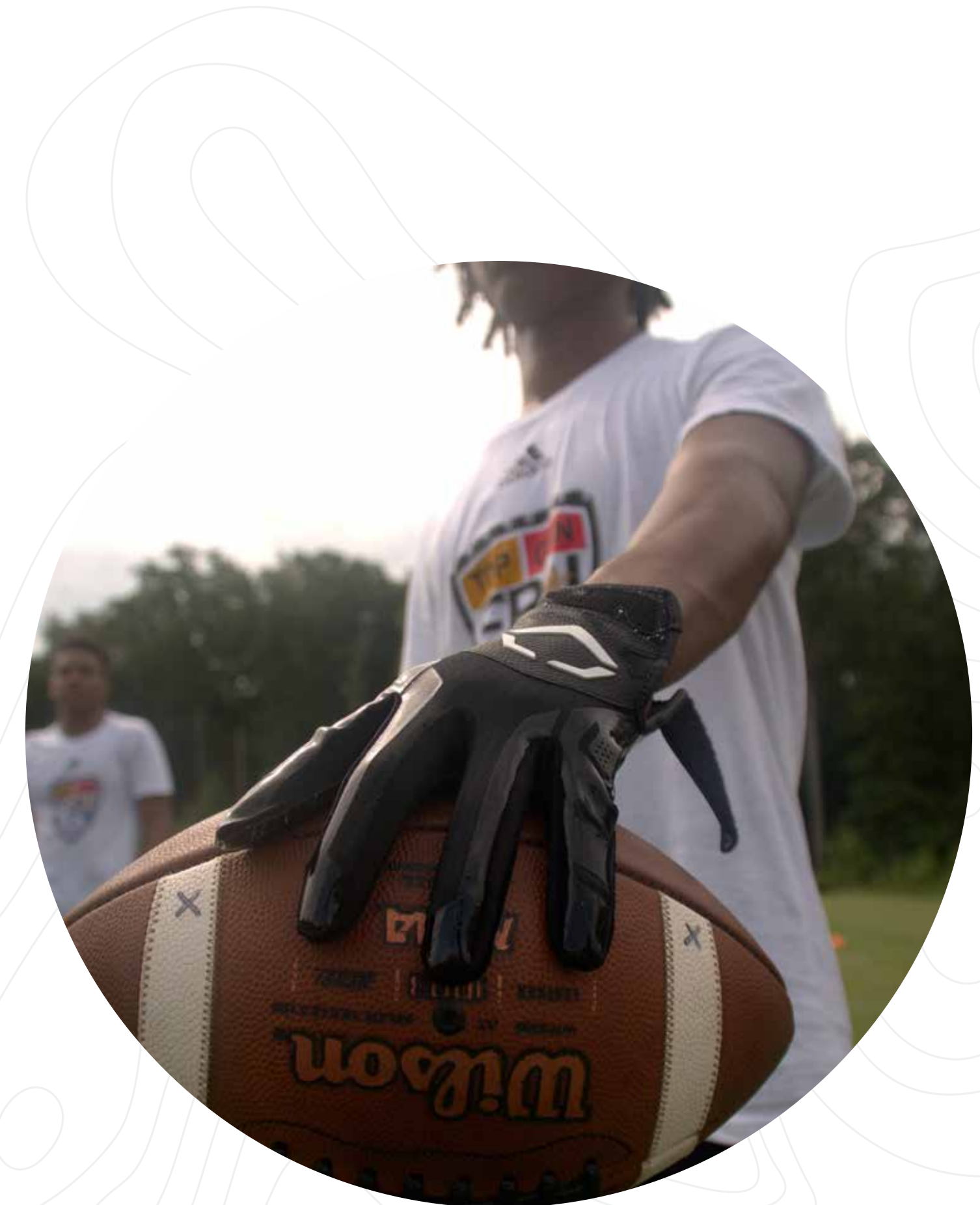
## Fair Trade

In 2020, Arc'teryx committed to transition 80% of products to be Fair Trade Certified™ by 2025, to improve working conditions everywhere it manufactures products. Products that are Fair Trade Certified™ provide customers with the assurance that worker rights, and their health and safety, are being protected. Additionally, Fair Trade Premiums are used to form a worker-controlled fund to which workers can collectively apply to secure tangible benefits in their own lives. Arc'teryx has begun its fair-trade journey by converting three manufacturing facilities in Vietnam to be Fair Trade Certified in 2021.



## Call to Action – ILO

Through Amer Sports, Arc'teryx signed ILO Call to Action, and contributed 50,000 USD to directly support garment workers' short-term needs in Bangladesh via the AWAJ Foundation, a grassroots labor rights non-governmental organization with over 600,000 worker members across Bangladesh.





# HUMAN AND LABOR RIGHTS

## Key Performance Indicators

Amer Sports has several KPIs to track how social and labor compliance audits have over the years improved its suppliers' performance related to human rights, working conditions, and prohibition of corruption and bribery. Progress in the selected KPIs is tracked on a continuous basis.

| Suppliers' employees in audited factories   | 2019    | 2020    | 2021    |
|---|---------|---------|---------|
| Suppliers' employees in audited factories   | 168,854 | 162,128 | 182,825 |
| "Number of countries where suppliers' employees in audited factories are located" | 21      | 19      | 24      |

| Suppliers covered by Supplier Code of Conduct (%)                 | 2019 | 2020 | 2021 |
|---|------|------|------|
| Purchase value from suppliers signed the supplier Code of Conduct | 96   | 96   | 97   |

| Audits                                     | 2019 | 2020 | 2021 |
|--|------|------|------|
| Factories audited                          | 156  | 132  | 152  |
| Audit visits by external third-party       | 133  | 146  | 189  |
| Remediation visits by Amer Sports' CR team | 50   | 51*  | 58*  |

| Breakdown of audit findings (%) | 2019 | 2020 | 2021 |
|---------------------------------|------|------|------|
| Monitoring & documentation      | 5    | 5    | 9    |
| Human rights                    | 2    | 1    | 2    |
| Compensation & benefits         | 9    | 7    | 8    |
| Working hours                   | 13   | 14   | 16   |
| Fire safety                     | 21   | 22   | 20   |
| Operation & machine safety      | 37   | 37   | 34   |
| Environmental & chemical safety | 13   | 14   | 11   |

| Audited purchasing volume (%)                           | 2019 | 2020 | 2021 |
|---|------|------|------|
| Audited purchasing volume of purchase turnover forecast | 96   | 96   | 96   |

\* The figure includes both on-site and virtual reviews/coaching, conducted due to the covid-19 pandemic and worldwide travel restrictions.

# AMER SPORTS' MEASURES DURING THE COVID-19 PANDEMIC

The coronavirus (Covid-19) pandemic created unprecedented challenges to Amer Sports and its supply chain. The company has worked hard to secure the continuity of its business and to protect its employees, because workers' well-being and safety are at the heart of concern. Amer Sports has taken several measures to support its suppliers in this challenging situation:

- **Pay committed orders in full**

Amer Sports commits to paying for all purchase orders that have been shipped or completed, or that are in production.

- **Continuous dialogue with suppliers**

Amer Sports is continuously engaging with its key suppliers to understand their financial viability and to provide its utmost support to maintain their business operations and liquidity.

- **Comply with regulations**

Amer Sports sent a letter to suppliers emphasizing that it will comply with labor-related pandemic government decrees and requirements. Suppliers are encouraged to treat retrenchment as a last resort, and workers must be provided with legally mandated severance benefits if retrenchment is unavoidable.

- **Ensure health and safety**

Amer Sports shared health and safety best practices from the World Health Organization (WHO) with its suppliers and asked them to implement the recommended health and safety practices on the factory floor. Amer Sports' on-site quality and production teams support monitoring the implementation of the health and safety practices.

- **Support ILO Call for Action**

Amer Sports endorsed the ILO Call to Action to protect garment workers' income, health and employment, and to support manufacturers in surviving the economic disruption caused by the Covid-19 pandemic.

- **Support for communities in the global Covid-19 pandemic**

Arc'teryx responded to local needs by producing surgical gowns together with local health authorities, as the call for medical gowns came directly from the local community. Collaborating with local health authorities and a few key neighboring manufacturing and design partners, the collaborating group introduced a prototype and developed a reusable medical gown to address the shortage of medical gowns due to the Covid-19 pandemic.

Salomon supported local communities in the Covid-19 pandemic crisis by manufacturing masks in its own workshop in the Annecy design center. Salomon donated Reelax shoes to the healthcare professionals in local hospitals. Salomon launched a limited Golden Trail Series Edition, revenues from which were partially donated to the International Committee of the Red Cross (ICRC).

The Wilson team created several aerosol boxes for doctors and nurses to use when intubating people with severe cases of Covid-19. The team has delivered dozens of aerosol boxes to hospitals in Chicago, across Illinois, and in some places in Indiana. These aerosol boxes act as an extra protective barrier and can help save healthcare workers' lives.

During the Covid-19 pandemic, Arc'teryx has remained committed to responsible sourcing practices by paying full price for goods in transit or in production, took responsibility for excess raw materials, and worked closely with its manufacturing partners.

# GOVERNANCE



# AMER SPORTS' POLICIES

## Code of conduct

The Amer Sports Code of Conduct defines the major principles of the company's business conduct, and outlines and sets the key ethical principles of Amer Sports Group for how all its employees must act as individuals and as a company, wherever the company operates. In 2021, Amer Sports reviewed the contents of the Code of Conduct. The Amer Sports Code of Conduct is available in 14 languages [here](#)

The contents of the Code of Conduct focus on the promises to the consumers, employees, shareholders, and business partners. Aspects of the Code of Conduct include product safety, responsible marketing, accurate and transparent information, the environment, antitrust and competition law, conflicts of interest, anti-corruption and bribery, privacy, financial reporting, protection of confidential information, compliance with all laws and regulations, and a safe, fair and healthy workplace for employees.

In addition to the Amer Sports Code of Conduct, which applies to all its employees, Amer Sports expects its sourcing partners to respect human rights in the spirit of internationally recognized social and ethical standards, including the International Labour Organization's (ILO) Standards and the United Nations' Universal Declaration on Human Rights.

## Ethical Policy

The Amer Sports Ethical Policy sets out the core values of its operations. The company expects its own facilities and its suppliers

to operate according to the principles in its Ethical Policy, which is embedded into the supplier agreement and signed by suppliers, confirming their compliance with the Policy.

The Amer Sports Ethical Policy sets out the social and environmental fundamentals for the Amer Sports supply chain. The Ethical Policy, being an integral part of Amer Sports' responsible operations strategy, is based on the company's commitment to human rights in the spirit of internationally recognized social and ethical standards, including ILO Standards and the United Nations' Universal Declaration on Human Rights. This holds true especially for women, children and migrant employees. Amer Sports shares this commitment within its entire supply chain, to treating employees with respect and dignity.

The Amer Sports Ethical Policy is aligned with the Fair Labor Association's Code of Conduct, which includes, but is not limited to, the following issues: the employment relationship, legal compliance and monitoring, child labor, forced labor, harassment and abuse, discrimination, working hours and compensation, health and safety, environmental and chemical safety, freedom of association and collective bargaining, and communication with employees. The Ethical Policy requires that employers do not engage in the giving or receiving, directly or indirectly, of bribes, kickbacks, other illicit payments, or improper benefits intended to achieve a business advantage or financial gain.

The Ethical Policy is available [here](#) in 29 languages.

## Material Compliance Policy

Amer Sports has a Material Compliance Policy (MCP) to manage hazardous chemicals, the chemical impacts in product manufacturing, and the ethical sourcing of materials used in the products of its brands. In 2019, Amer Sports expanded the concept of Restricted Substance Lists (RSL), introduced more than a decade ago, by creating the MCP for the company.

The MCP explains the company's expectations, requirements, and commitments for materials, as well as acceptable verification methods that Amer Sports imposes on its suppliers. The MCP applies to all Amer Sports brands and product categories. It includes the Restricted Substance List (RSL), Testing and Certification Requirements, and Ethical Sourcing Requirements, in addition to Chemicals Management.

The RSL contained in the MCP applies to all products and product categories of Amer Sports brands, which include those materials, chemicals, and substances that are restricted or banned pursuant to regulations or laws, as well as Amer Sports and its brands' public sustainability commitments. In addition, being a bluesign® system partner, the Amer Sports Apparel & Gear product category employs the bluesign® system, including the bluesign® RSL and the corresponding solutions, in sustainable processing and manufacturing.

# AMER SPORTS' POLICIES

Amer Sports updates the MCP regularly, and the most recent update in 2021 includes a material-oriented RSL structure for all product categories, added requirements regarding sandblasting and nanotechnology for Ethical Sourcing Requirements for Apparel & Gear products, updated penalty provisions for non-compliant materials, and clarified REACH certification.

The complete Material Compliance Policy document is available [here](#)

## **Anti-bribery and anti-corruption policy**

In 2021, Amer Sports launched its Anti-bribery and anti-corruption policy, which defines the principles, roles and responsibilities pertaining to anti-bribery and anti-corruption practices in Amer Sports, to prevent and detect possible bribery and corruption.

Amer Sports has zero tolerance of all forms of bribery and corruption, which is also prescribed in Amer Sports' Code of Conduct. Amer Sports and its employees are strictly prohibited from giving or receiving, directly or indirectly, bribes, kickbacks, other illicit payments, or improper benefits intended to achieve a business advantage or financial gain. Situations that involve a conflict, or the appearance of a conflict, between duty to employers and personal interest must be avoided.

The policy applies to everyone working for Amer Sports worldwide, and Amer Sports expects all its business partners, such as agents and consultants acting on behalf of the company, to respect and to follow the company's Anti-bribery and anti-corruption policy. At the end of 2021, Amer Sports arranged Code of Conduct training for its employees and anti-bribery and anti-corruption aspects were part of this training. The policy is available in 14 languages.





Amer Sports provides regular training about the Code of Conduct to its employees, which helps them to understand how to conduct business ethically and otherwise to put our values into practice every day.”

**Jutta Karlsson**  
General Counsel, Amer Sports

# ETHICS

The Amer Sports Code of Conduct defines the major principles of the company’s business conduct. Every Amer Sports employee is responsible for their own behavior, acting with integrity, and observing the highest standards of business ethics. All Amer Sports employees are required to read and understand the Amer Sports Code of Conduct, as well as to take part in the mandatory Code of Conduct e-learning. The Code of Conduct, as well as the e-learning program, is available in 14 languages.

At the end of 2021, Amer Sports renewed its Code of Conduct training, and every employee needs to take the Code of Conduct test also as an e-learning program, which was updated last year. The Code of Conduct training is an integral part of the onboarding process. Amer Sports tracks the completion of the Code of Conduct training and plans to adopt a similar training and tracking approach for the Ethical Policy.

The completion rate of the Code of Conduct training for office and retail employees at the end of April 2022 was 73%. The Code of Conduct training is an ongoing process, and E-learning for all employees at their own manufacturing sites takes place during H1/2022. To reach better completion rates for office and retail employees, further communications are planned via both the intranet and brand management. After the end of March 2022, completion rates and details per brand will be reported to ExCom for further action.

The Code of Conduct e-learning covers areas related to product safety, responsible marketing, accurate and transparent information, the environment, antitrust and competition law, conflicts of interest, anti-corruption and bribery, privacy, financial reporting, protection of confidential information, compliance with all laws and regulations, and a safe, fair and healthy workplace for employees.

Amer Sports is committed to maintaining a speak-up culture by promoting an open and trusting discussion with employees at all levels. Employees can raise concerns with their line manager, their Human Resources Business Partner, legal or internal audit functions, or through Amer Sports’ confidential and anonymous reporting line, WhistleB. The Amer Sports Whistleblower process is in-line with the EU Whistleblower Protection Directive.

The anonymous reporting line WhistleB, which is operated by a third party, is also available for external stakeholders. The Code of Conduct is available [here](#)

# SUSTAINABILITY MANAGEMENT AND ORGANIZATION

Amer Sports Group has several policies, guidelines and processes that are common to all its brands and functions, and that steer the company's actions in sustainability. Each brand and subsidiary is responsible for the implementation specified in the policies.

Amer Sports Supply Chain management has a Vendor Social and Labor program that serves all the brands in their supplier activities. The Amer Sports Social and Labor team is responsible for the social compliance of suppliers and vendor qualification, product industrialization, contract management, price negotiations, the procurement process, optimization, and export administration.

Each Amer Sports business unit reports to its respective management team on sustainability matters. The Amer Sports Board of Directors conducts an annual review of corporate sustainability and regularly reviews the areas related to it in its meetings.

Amer Sports' brand companies have Sustainability Teams dedicated to the development of environmental issues, and there is a company-wide network of sustainability people representing Amer Sports' main brands, regions and categories.



# SUSTAINABILITY-RELATED RISKS

The following risks may relate to sustainability and could potentially have an impact on the Group's development. Amer Sports is aware of these potential risks and mitigates possible impacts in several ways.

## Social and labor aspects of supply chain management

Amer Sports sources a significant proportion of its products from subcontractors located throughout Asia, which exposes it to the political, economic, and regulatory conditions in that area and to a variety of local business and labor practice issues.

Since 2008, Amer Sports has conducted third-party audits to help our sourcing partners comply with industry standards and Amer Sports' expectations. The audit process is enforced by factory visits and pre-audit training sessions with factory management, to assist sourcing partners in meeting company standards. In Asia, Europe and the Middle East (EMEA), the number of audits conducted by the end of 2021 represented 96% of total purchases.

Amer Sports targets continuously improving labor and social issues in the supply chain. In 2020, the company was approved as a participating company member in the Fair Labor Association (FLA), which is a collaborative effort to improve workers' lives worldwide and to create lasting solutions to abusive labor practices. The FLA offers tools and resources to companies, delivers training to

factory workers and management, conducts due diligence through independent assessments, and advocates for greater accountability and transparency of companies, manufacturers, factories, and others involved in global supply chains.

## Climate change

Amer Sports can be adversely affected by unusual or severe weather conditions, natural disasters, and pandemics. For example, Winter Sports Equipment sales are affected by snow conditions, especially in Europe and North America.

Amer Sports' business is balanced by its broad portfolio of sports and brands, the increasing share of apparel and footwear in the Group portfolio, and the Group's presence in all major markets. The Amer Sports product portfolio covers all the seasons and provides sporting equipment year-round. During recent years, the strategic priorities of Amer Sports have been focused on growth in soft goods.

## Risks and risk management

The Board of Directors approves and endorses the company's Risk Management Policy, which defines the objectives, principles, processes, and responsibilities concerning risk management at Amer Sports. Risk management is a regular agenda item at the Board of Directors' Audit Committee meeting.

The Risk Assessment is performed by Business Units and Group Functions, and includes financial, operational, compliance, and strategic risks. Specific risk categories cover governance, the Code of Conduct, and regulatory types of risks, such as corporate social responsibility risks, and health, safety and environmental risks. The risk management process includes risk identification, assessment, control, communication, and monitoring.

Risks are reviewed and assessed annually by the Executive Board, which conducts annual risk management mapping and assessment at Group level.

Risk reporting is integrated into the annual meeting cycle of the Board of Directors, and the review is reported annually to the Audit Committee. Risk reporting is also integrated into the monthly operational, strategic, and functional reviews.



# IMPORTANT EVENTS IN 2022



# IMPORTANT EVENTS IN 2022

At the beginning of 2022, Amer Sports reassessed its material areas in sustainability and identified key topic areas, those that are considered to have impact on Amer Sports, and those that are of interest to its key stakeholders. The process included industry benchmarking, as well as internal and external stakeholder interviews. The ESG strategy development project will include ambition level, and will review materiality with the key topics, targets and related KPIs. The company is systematically developing its ESG strategy to elevate its ambition in all relevant areas of E, S and G.

In January 2022, Amer Sports announced that it will divest Suunto to Liesheng, a leading Chinese technology company focusing on the smart and sport wearable electronics segment. Amer Sports continues focusing its strategy on developing internationally recognized sporting goods brands within the lifestyle, apparel, and footwear segments. The transaction is expected to close in the first half of 2022.

The health and safety of Amer Sports employees, consumers, and extended Amer Sports partners has been a top priority for the company during the crisis in Ukraine. Amer Sports does not have any directly employed team members or production or warehouse facilities in Ukraine, but the situation affects the company's employees, especially in Ukraine's neighboring countries. Amer Sports put all its shipments to Russia on hold on February 26, 2022, and suspended all commercial activities in Russia on March 8, 2022, including stores, e-commerce channels, and shipments to the company's wholesale partners.

To support the relief efforts in Ukraine and impacted countries, Amer Sports made a donation of €500,000 to UNICEF. Amer Sports brands have also extended a helping hand. As an example, Arc'teryx donated to the UN Ukraine Humanitarian Fund, Wilson to Heart to Heart International, and Salomon and its employees collected and donated clothing, backpacks, sleeping bags, and necessary hygiene items to Ukrainian refugees.



# CONTACT INFORMATION

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# SIGNATURES

Statement of non-financial information and Modern Slavery Act statement signatures

Helsinki, Finland, May 11, 2022

Amer Sports Holding 3 Oy

Tao Tak Yan Dennis

Huang Andrew Chih-Chun

Jutta Karlsson

# INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

To the Management of Amer Sports Oy

We have been engaged by the Management of Amer Sports Oy (hereinafter also "Amer Sports") to perform a limited assurance engagement on selected environmental performance indicators for the reporting period 1 January 2021 to 31 December 2021, disclosed in Amer Sports Sustainability Report 2021 on the Amer Sports' website (hereinafter the Selected sustainability information).

## Selected sustainability information

The information covers Amer Sports Oy, as indicated in the Sustainability Report 2021. We have not been engaged to provide assurance on any information relating to prior reporting periods or to any other information in the Sustainability Report 2021. The scope of our limited assurance engagement was over the information summarized below, presented on Amer Sports Sustainability Report 2021 page 18.

- Energy consumption from direct and indirect sources (related to scope 1 and 2); share of renewable energy consumption
- Scope 1 emissions
- Scope 2 emissions
- Scope 3 emissions
- Emissions intensity (net sales and FTE)
- Waste by category
- Water consumption

## Management's responsibility

The Management of Amer Sports is responsible for preparing the Selected sustainability information in accordance with the Reporting criteria as set out in Amer Sports reporting instructions described in Amer Sports Sustainability Report 2021 and GHG protocol. The Management of Amer Sports is also responsible for

such internal control as the management determines is necessary to enable the preparation of the Selected sustainability information that is free from material misstatement, whether due to fraud or error.

## Practitioner's independence, other ethical requirements and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers Oy applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

# INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

## Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the Selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410 "Assurance Engagements on Greenhouse Gas Statements". These Standards require that we plan and perform the engagement to obtain limited assurance about whether the Selected sustainability information is free from material misstatement.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other information in the Selected sustainability information. The procedures selected depend on the practitioner's judgment, including an assessment of the risks of material misstatement of the Selected sustainability information.

Our work consisted of, amongst others, the following procedures:

- Interviewing representatives of senior management of Amer Sports.
- Performing virtual site visits in Sweden and Canada
- Interviewing employees responsible for collecting and reporting the selected information on sustainability indicators.
- Assessing how the reporting instructions and procedures are applied in Amer Sports.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.
- Considering the disclosure and presentation of the Selected sustainability information.

## Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Amer Sports' Selected sustainability information for the reporting period ended 31 December 2021 are not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our limited assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Amer Sports for our work, for this report, or for the conclusions that we have reached.

Helsinki 1 July 2022

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Tiina Puukkoniemi  
Partner, Authorised Public Accountant (KHT)  
Sustainability Assurance and Reporting Lead