

Slavery and Human Trafficking Statement

INTRODUCTION

This statement describes the current situation and factors related to Modern Slavery and Human Trafficking in Suunto operations and supply chains and lays out the action plan on it. This document is done in accordance with Section 54 (Transparency in Supply chains) of the UK Modern Slavery Act 2015 and Ethical Trading Initiative Framework for Slavery & Human Trafficking statements. Suunto expresses zero tolerance towards any form of modern slavery in our business or supply chains. Suunto is committed to acting ethically and transparently, supporting initiatives that work towards responsible supply chains and dedicated to improvements that this statement outlines. This is Suunto's first Slavery and Human Trafficking statement (until May 2022 belonging to a multi-brand group whose Code of Conduct and policies were followed – and the 2nd half of 2022 is a “transition” period of putting the new policies and supplier monitoring system in place).

BUSINESS AND SUPPLY CHAINS

Suunto was founded in 1936 in Finland and still has its headquarters and factory in Vantaa, Finland. Our product categories are GPS sports watches, dive computers and compasses, which we make for sports enthusiasts, people passionate for outdoors and marine environments. Suunto's vision is to be a trusted guide in the world of outdoor sports and adventure – for the current and future generations and protecting the environment while doing so. Suunto products are made durable, repairable and long-lasting which is also the most efficient way to reduce the environmental and social impacts that products cause in their lifetime from raw material sourcing and processing to use and end-of-life. Suunto products are sold in around 100 countries.

Majority of Suunto's own employees are in Finland; in addition to this, we employ regional sales and marketing teams located on all continents and a local personnel supporting sourcing in China. Until May 2022 Suunto was part of Amer Sports Group (later AS) and followed AS's Code of Conduct, policies and practices related to social and environmental sustainability. From May 2022 Suunto is owned by, and function as an independent unit of Liesheng, China.

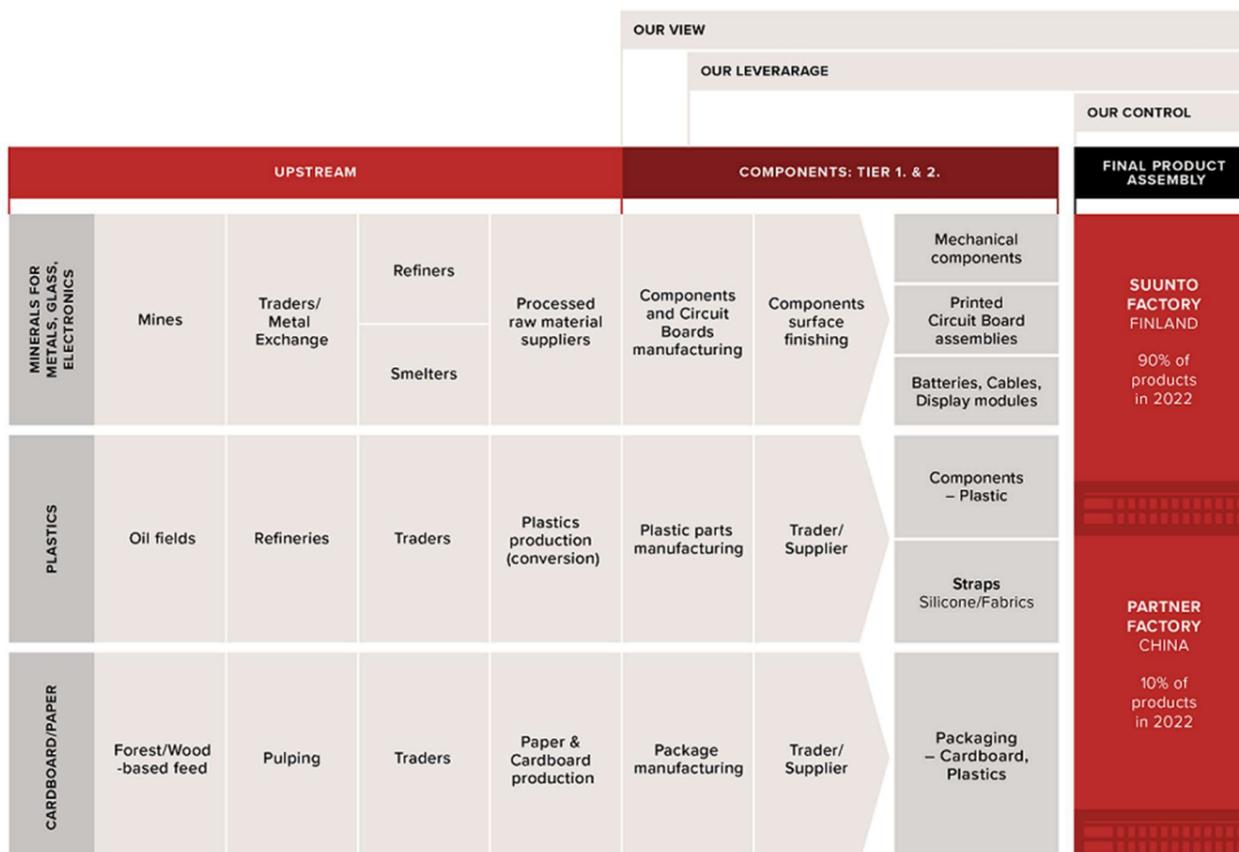
Vast majority (90 % in 2022) of Suunto's products are made (the testing and assembly) in Suunto's own factory in Finland, where the Finnish legislation is followed concerning all employees. Of the ~300 employees in Finland, ~100 work in the factory. Apart from this, there is one contracted partner factory in China doing assembly (10 % of products in 2022). This is the direct area of control from the point of labour rights and working conditions in Suunto's supply chain.

Majority of the components used in Suunto products are sourced from Asia or Europe, the ratio being 50/50 at the moment. We have visibility to Tier 1, know all our component suppliers, as they are visited by our personnel in China and approved in our supplier pre-assessment. This is an area where we have leverage in our supply chain. Apart from this we do have a limited view on Tier 2 suppliers. Due to the earlier auditing scope of AS -and their cooperation with Fair Labour Association- only the contracted assembly factories (2 earlier, 1 in 2022) in China were audited. It is Suunto's aim to build the visibility of the supply chain further and include the main Tier 1. suppliers in our monitoring and auditing system as well.

We acknowledge the poor visibility and complexity of supply chains in the global electronics sector (component and part sub-manufacturers) and especially the extractives sector supplying the raw materials for the components used in products (mines, smelters/refineries and wholesalers/traders).

Suunto has started to renew the Responsible sourcing system from the end of 2021, the first steps outlined in this statement. The vast majority of the components have their origins in China, therefore we have decided to focus on suppliers in China on Tier 1. Related to the lack of transparency and the existing human rights issues related to raw materials used in electronics we have to work through partners/industry initiatives and support the global movement for the same.

The following map describes the material flows and different tiers in our value chain.



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POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

The following policies and requirements touch the topic of Modern Slavery and prohibit the use of forced- and child labour, practices related to modern slavery and human trafficking in Suunto value chain. Suunto Ethical Policy includes the areas of, but is not limited to, Ethical Trading Initiative's Base Code and takes into account the Universal Human Rights and the conventions and standards of the International Labour Organization ILO and what is generally considered as decent work. The topics mentioned and practices prohibited in the Ethical Policy are things that -if followed successfully-, would prevent situations and practices that many times lead to or facilitate Modern Slavery.

- Code of Conduct
- Suunto Ethical Policy
- Suunto Substance Requirements (*incl. Conflict minerals)
- Suunto Supplier Requirements
- Whistleblowing channel
- Anti-Bribery and Anti-Corruption Policy
- As a company exporting to US, we are also subjected to the Law No: 117-78 (12/23/2021) banning products or materials whose origins are in Xinjiang province, China and all partners, suppliers and their suppliers/sub-contractors are to make sure the law is observed on any materials or components supplied to Suunto

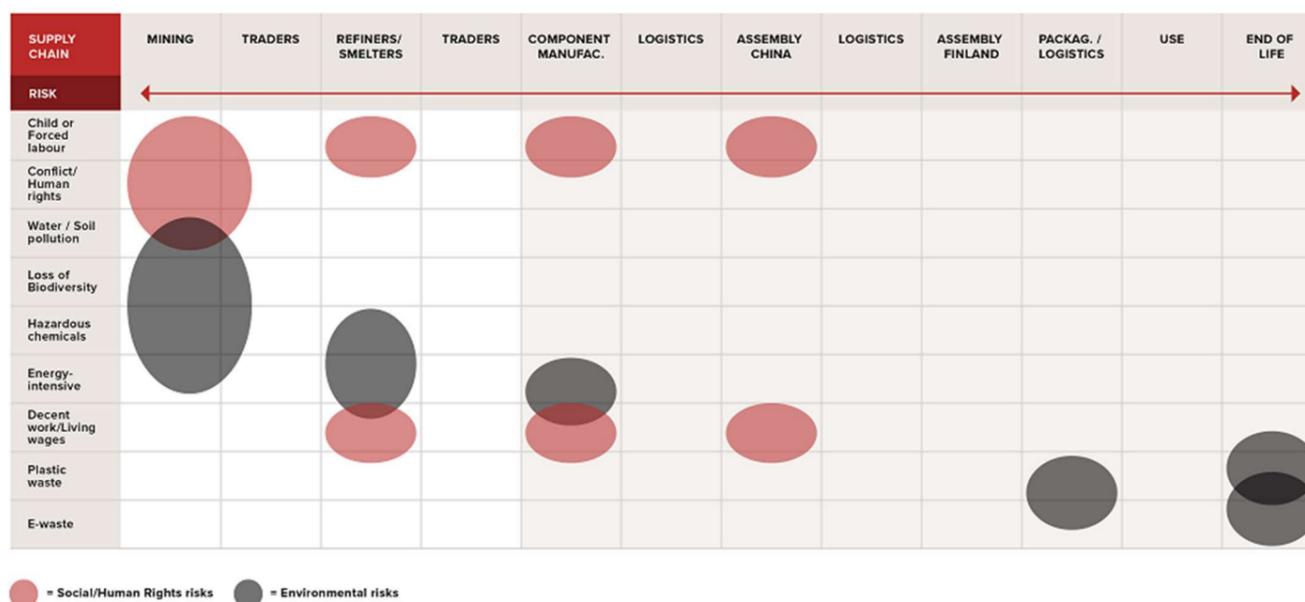
Suunto Leadership Team is responsible for the company strategy, compliance and related policies, including approving the Slavery and Human Trafficking Statement. Managers of different teams are in charge of the implementation of Code of Conduct, Ethical Policy and principles mentioned in this statement. The Ethical Policy is part of Supplier requirements, and suppliers agree to adhere to Ethical Policy and be audited against it by signing Supply Agreements with Suunto, led by Suunto's Sourcing Team. Suunto Sustainability and Sourcing teams together are responsible of the implementation of the Responsible sourcing system, incl. supplier audits, and improving practices following the findings. In line with Suunto's dedication towards high-quality products, we aim to build stable and lasting partnerships with the suppliers. This is expected to enhance the communications related to ethical standards and assist continuous improvement.

During the transition period in 2022, Suunto will define the process for handling possible grievances coming through the whistleblowing channel and for detecting any violations of Suunto policies and options for professional handling of the case from the point of worker remedy. Suunto holds the right to terminate the business relationship with a supplier if there is a violation of social or environmental responsibilities and laws. The central policies and the whistleblowing channel and its guidance will be translated to the languages of the main countries we source from.

IDENTIFICATION OF RISKS AND STEPS TAKEN TO PREVENT AND MANAGE THE RISKS

Suunto has started the Responsible sourcing work by assessing the ¹⁾ Industry-/sector-related risks and ²⁾ Risks related to the main geographical area for sourcing and will keep itself informed about the developments in these fields by continuous follow up on the work of international organizations, NGOs and governments and annually renewed Sustainability risk-assessment. Updating the risk-assessment is a shared task of the Sustainability manager, Supply Chain Management/Sourcing team and the Quality manager. The Human Rights work is led by the Sustainability manager and it is shared in the quarterly Leadership Team Reviews as necessary.

This map describes the industry hotspots ie. the most common risks in electronics value chain:



Moving up in the value chain from Suunto's own factory we source from countries in South-East Asia classified as risk-countries considering human rights and decent work. Based on the most recent reports and data from reputed international organizations like ILO, World Bank, Amnesty International, Transparency International, Freedom House, Global Slavery Index, the main risks related to our key geographical sourcing context (China), include:

- Forced labour (including forced migrant labour); Child labour
- Excessive and/or involuntary overtime
- Limited or non-existent freedom of association

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The following are also risks in our sourcing context based on wide sample of statistics, but have to be studied more closely in practice, in the current moment and in the exact locations:

- Low wages vrs. Living wage (concrete paid wages w/a overtime vrs. the Global Living Wage Coalition’s benchmarks)
 - Working conditions and safety
 - Discrimination/Inequality by gender and other factors
- Corruption and limiting the freedom of expression are risks that are linked to the realization or prevention of other risks.

Like explained earlier, Suunto has a direct relationship and leverage with the Tier 1. suppliers and have decided to include the 15 most prominent suppliers + the one assembly factory in China in the scope on Responsible sourcing. Beyond this, we work on mapping the supply chain to gain more visibility further in the supply chain and will also be involved in the responsibility initiatives on the raw materials, where we at the moment do not possess visibility, leverage or control.

DUE DILIGENCE PROCESSES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING IN BUSINESS AND SUPPLY CHAINS

Suunto is committed to zero tolerance of Slavery and Human Trafficking in its operations and supply chains and all the company documents and policies related to responsible sourcing and Human Rights due diligence were updated in January-April 2022. This includes renewed Supplier Requirements, as part of which the suppliers agree to adhere to the Suunto Ethical Policy – where following all the International Human Rights laws and Decent Work conventions is expected, alongside condemning the involvement in modern slavery or human trafficking. When doing contracts with suppliers in risk countries, Suunto Sourcing Team assesses the suppliers on different quality and compliance aspects, makes sure they adhere to our policies and requirements and Suunto’s local staff in China also visits all the facilities of the suppliers. Suunto has long trade-relations with many of the suppliers (one of the Fair Trade principles of international organizations) and this is expected to enhance also the cooperation on ethical supply chain topics.

While renewing the company policies in 2022, a wider scope was identified for supplier monitoring and auditing. Third-party audits will be part of business relations with all strategic Tier 1. suppliers in risk countries. The work will be supported by organizing training, having an open grievance channel in place and industry- and NGO cooperation on responsible trade. On the parts of the supply chain we have no direct link or visibility to, Suunto will be supporting the multi-stakeholder initiatives for more responsible raw materials and extractive industry. We are part of the Human Rights Working Group of FIBS (a Corporate Responsibility network of the Nordic countries, a partner of WBCSD) for sharing and lessons learned and participate in the trainings of the Finnish ethical trade NGOs.

EFFECTIVENESS IN ENSURING THAT SLAVERY AND HUMAN TRAFFICKING IS NOT TAKING PLACE IN BUSINESS OR SUPPLY CHAINS, MEASURED AGAINST APPROPRIATE KPIS

As described in the Risks-chapter, the main sourcing countries and the complexity of supply chains of parts and raw materials in the electronics sector do pose also Suunto supply chain to the Slavery and Human Trafficking risks, although we as a business also do have some positives to mitigate the risks (long trade relations with the suppliers – 20+ years with some; our product offering focusing more on quality and durability than low prices).

This is Suunto’s first statement of its kind, *so we do not have actions from previous year to report. The action plan* on mitigating Slavery and Human Trafficking as well as other Human rights risks in our supply chain *is still outputs-oriented* as we have to first set up the framework (policies and tools, implementation plan and schedules, scoring system against which the self-assessments and audit findings can be assessed) before we can start measuring its outcomes. The update on the progress will be done annually through this statement, our Sustainability website and annual Sustainability report.

RISK	SCOPE	ONGOING EFFORT	ACTIONS IN 2022	GOAL
Possibility of Forced Labour/ Forced migrant labour, Involuntary overtime and Child labour in factories (& mines)	16 strategic suppliers in China ▪ 1 assembly factory ▪ 15 suppliers of parts & components	<ul style="list-style-type: none"> ▪ Building the framework for Responsible sourcing ie. tools, schedule and implementation plan for assessment, monitoring, improvement, grievance and remedy process into which all suppliers agree to participate as described in the Supplier requirements (and Ethical Policy) ▪ Continuous follow-up on country & industry risks and research on decent work topics we need more info on in the specific production contexts ▪ Hold annual learning- and planning session (incl. update of risk-assessment) 	<ul style="list-style-type: none"> ▪ Ethical Policy ▪ Slavery, Human Trafficking Statement ▪ Whistleblowing channel ▪ Supplier Requirements (All renewed in 2022) 	1) Documents guiding the work ready
			Setting up the procedure on possible cases detected via WB channel	2) Documents and Whistleblowing channel available and communicated in needed supplier languages
			Process and schedule for the extended supplier monitoring and auditing	3) Strategic 16 suppliers have done the first round of self-assessment & findings are assessed and classified
			Translating Ethical Policy, S&HT statement and WB channel in main supplier languages	4) Auditing plan for 2023 in place
			Training of related staff	5) Relevant staff in Finland and China trained on decent work and supply chain human rights topics
			Selecting the auditing partner	6) Membership in/cooperation with a CSR/ethical trade organization
			Cooperating/seeking a membership of an NGO specialized in supply chain HR issues for improving/verification of the system	
Next steps: ▪ Assess training needs and possibilities to take the system further (beyond audits)				

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			<ul style="list-style-type: none"> ▪ After the system is set up & functional: Plan (outcome level) KPIs to follow, include in the statement ▪ Work more on remedy procedures 	
	Raw materials (extractives sector)	Beyond own control and visibility – will have to work through partners/networks	Becoming a part of one of the leading industry organizations on transparency in the extractives sector Study on recycled raw materials	7) Membership in/cooperation with a responsible mining initiative/ organization

TRAINING AND CAPACITY BUILDING ABOUT SLAVERY AND HUMAN TRAFFICKING

In the end of 2021 the whole staff of Suunto received a mandatory training of AS Code of Conduct (an interactive online training with tests), including topics on modern slavery and human trafficking. In 2022 Suunto will train the key personnel (especially related to sourcing) on decent work and supply chain human rights topics, including modern slavery and human trafficking as they are the ones assessing the suppliers against the Supplier requirements. We will also assess the training needs further and make a plan on it. As Suunto has renewed all policies and tools (including the grievance channel), translating them and communicating on their use to the staff and partners is important.

This statement was approved on 16th May 2022.

On behalf of the Suunto Leadership Team,

Jussi Vähäkylä

VP, Strategy and IT