



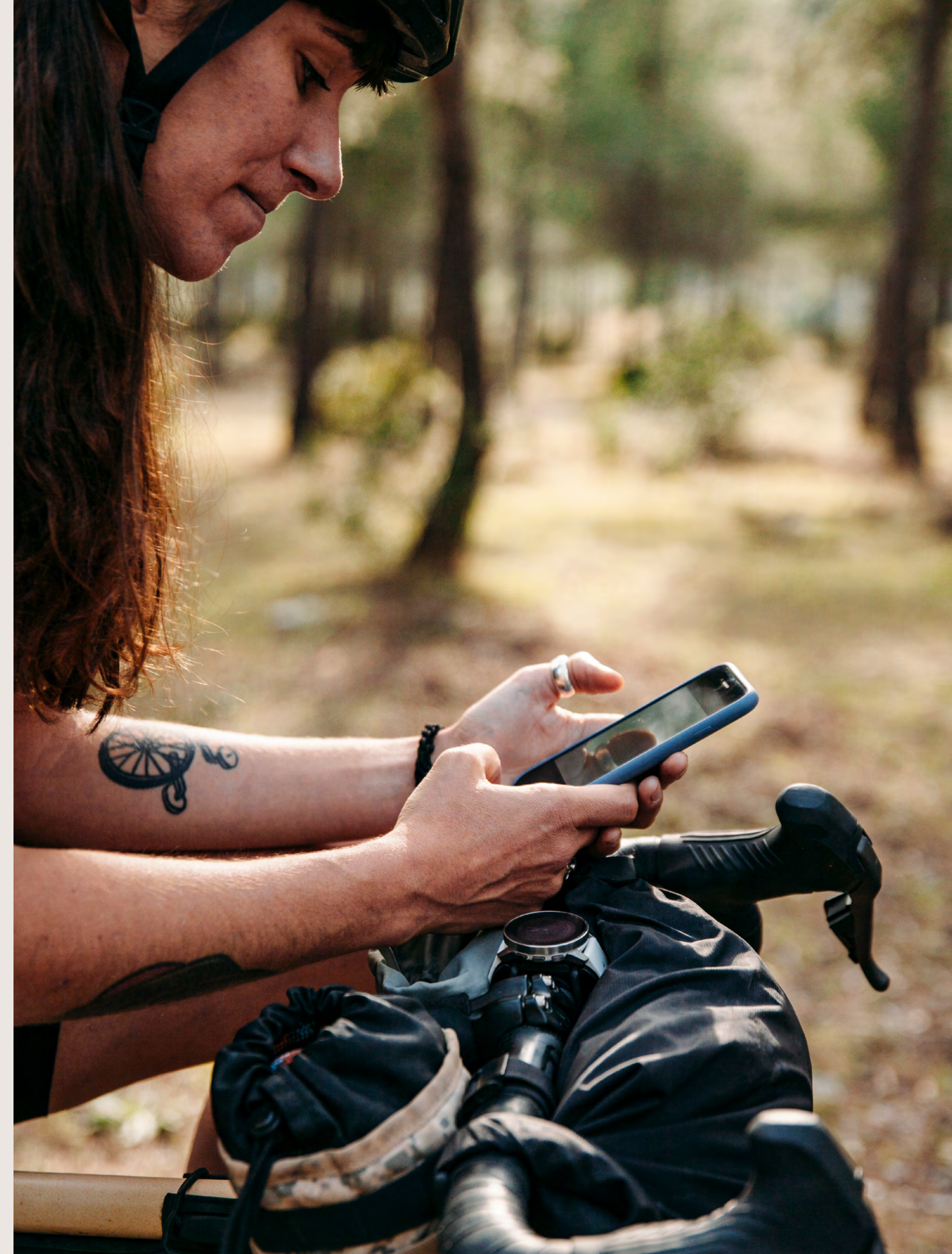
SUUNTO

SUUNTO SUSTAINABILITY REPORT 2021



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1 SUMMARY



1. SUMMARY

This is Suunto’s first annual sustainability report. The objective of the report is to provide transparency on our sustainability actions in a comprehensive but summarized package. Suunto is a Finnish company serving people who cherish the great outdoors, so sustainability is a natural part of the brand and its customers’ lifestyles. All change takes time – especially in a complex sector and with products like electronics – and we do recognize we are still at the beginning of our sustainability path. That’s why we are openly stating that we are not perfect, but we are committed to be better. This report covers the year 2021, which was a period of transformation both for the organization, but also for the sustainability area. Apart from organizational and personnel changes we saw an increase in the interest and expectations from stakeholders on corporate responsibility and environmental topics.

In the beginning of 2021, sustainability got a visible place in Suunto’s new vision and strategy. By the end of the year work towards a new sustainability strategy had also begun, which continued until spring 2022. Our aim is to both widen the coverage of our sustainability work to new areas

important for a company manufacturing consumer electronics, but also to better integrate sustainability into the different functions inside our company.

First, the report introduces Suunto as a company and the sustainability highlights of 2021. Then we present the framework (system) that guides the management of sustainability-related activities, the strategy and risks in the electronics sector and in our value chain. We then go through the environmental performance by different impact categories. The following chapters discuss the different areas under social sustainability and governance. At the end you can read about the challenges and learning we had in the reporting year.



1.1 SUUNTO IN BRIEF

Suunto was founded in 1936 in Finland and still today has its headquarters and factory in Vantaa, Finland. We believe adventure is for everyone, everywhere in the world. We design our products for all people - including passionate athletes - enjoying an active lifestyle. Our product categories are GPS sports watches, dive computers, compasses, and precision instruments. Suunto is a global company with a presence in all major markets and products are sold in around 100 countries. Until May 2022 Suunto was part of Amer Sports Group. From May 2022 Suunto is owned by, and functions as an independent unit of leading Chinese technology company Liesheng.

We are focused on developing high-end products, inspiring adventurous lifestyles and committed to protecting our playground. We work closely with outdoor sports enthusiasts around the world to create long-lasting products and useful services that encourage people to discover the nature around us and to do their part in protecting it. Suunto products are made durable, repairable, and long-lasting. This is the most efficient way to reduce the environmental

and social impact that products cause in their lifetime, from raw material sourcing and processing all the way to the end-of-life.

The vast majority of Suunto's products (90% in 2022) are designed, tested, and assembled in our own factory in Finland, where Finnish labor laws are followed concerning around 300 employees. Most Suunto employees are based in Finland; in addition to this, we employ regional sales and marketing teams on all continents. Suunto also has one longtime contracted factory in China manufacturing around 10 % of the products in 2022.

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TODAY WE ARE...

- **85 years old company (2021)**
- **Employer of 300+ dedicated professionals**
- **One of few Finnish international consumer brands**
- **Inspiration to millions of consumers**





PURPOSE

We equip and inspire for an active and adventurous life.



VISION

Our vision is to be the trusted guide in the world of outdoor sports and adventure – for you and generations to come.

OUR BUSINESS IS BASED ON FOUR CORE VALUES:

REAL DEAL

Strong performance is key to our success. We continuously develop our brand and products. The determination to win encourages a strong work ethic and top-level performance.



TRUSTED COMPANION

We believe in team spirit and teamwork. Our team consists of strong individuals who contribute to our common goals.



CONTAGIOUS PASSION

We believe only by developing products together with outdoor sports enthusiasts around the world we can be sure we are creating something of great value to them.



PIONEERING EXPLORATION

The essential prerequisite for our development is innovation, and the prime motivation for innovation is to always assess and question our current methods of operation.



1.2 SUSTAINABILITY HIGHLIGHTS 2021

- Sustainability became part of the company vision in 2021 as a sign of leadership commitment to the topic
- Sustainability site at www.suunto.com was published to communicate more openly about sustainability actions
- We initiated the development of new sustainability strategy for Suunto
- All central policies related to sourcing and ethical and environmental requirements were renewed to strengthen responsible sourcing
- All staff participated in a mandatory e-learning training on code of conduct for better understanding on company's ethical practices and good governance
- More than 85% of our devices were made in Finland in our own factory in 2021
- We changed to 100% renewable energy at Vantaa HQ and factory (both electricity and heating)
- We conducted data collection to do a first-ever life cycle assessment of our products. The results will be ready in 2022.
- Our designers created new packaging for our sport watches, increasing the amount of recycled and FSC certified materials in it
- We began testing new eco-materials for products and accessories to see their suitability for our product range
- Rank a Brand study by Pro Ethical Trade Finland (Eetti) assessed Suunto's sustainability and transparency (along seven other Finnish wearable consumer electronics brands). Suunto scored the highest in the assessment although areas of improvement were identified for all brands
- Suunto was promoted by the CircIT – a research project on circular solutions for businesses due to the repairability and robustness of our products



1.3 SUUNTO COMMUNITY AND AMBASSADORS

Apart from decreasing the environmental footprint of our operations, we communicate on sustainability topics and are involved in different initiatives. This is called the “handprint”, in other words creating a larger positive effect through our user community and ambassadors.

We believe in the power of community. Together, we can affect change by raising our voices and taking action. Our ambassadors care as much as we do. We have ambassadors from all over the world and what they all have in common, aside from their passion for adventure and exploring the outdoors, is the determination to prevent the decline of the living world they all enjoy so much. Canadian ski mountaineer Greg Hill, for example, has explored how to make adventures more sustainable. He has proven it’s possible to explore remote mountains with only a small city-style e-car. The film about the project, **Electric Greg**, was shown earlier at the Banff Mountain Film Festival.

In 2021, we partnered with Adidas to support its **Run for Oceans campaign**. The more kilometers the members of our community ran, the more ocean plastic was removed.

We also took part in the Wings for Life World Run, a global charity event supporting spinal cord injury research. As part of the partnership, we created a special Wings for Life World Run SuuntoPlus feature that enabled our community to train for the race.

On World Oceans Day we shared an **inspirational video** educating the public about the growing threat of climate change, which we made together with our ambassador and underwater explorer Jill Heinerth. We published a series of **diversity articles** with Suunto ambassador and ultra-runner Ryan Montgomery, raising awareness how we can make the outdoors more open-minded, diverse and welcoming. We also shared mountain runner Emelie Forsberg’s **principles for a sustainable lifestyle** with our community.

We started planning a citizen science project with the Finnish Meteorological Institute and European Marine Observation and Data Network to see if the dive data collected through our dive computers could benefit the global research community.



A wide-angle photograph of a mountain range at dawn or dusk. The sky is a mix of orange, pink, and blue. A thick layer of white clouds fills the valley between the mountains. In the foreground, a large, dark, textured glacier or snowfield stretches across the bottom of the frame. The overall mood is serene and majestic.

2 SUUNTO SUSTAINABILITY SYSTEM AND MANAGEMENT

2. SUUNTO SUSTAINABILITY SYSTEM AND MANAGEMENT

Suunto has had ISO 14001 certification for its environmental management system since 2013 and we are audited annually by a third party by the ISO standards.

The overall strategic responsibility for sustainability performance lies with the company CEO and the Leadership Team. Suunto’s sustainability work and implementation of sustainability strategy is led by its Sustainability Manager who also advises the Suunto Leadership Team on sustainability matters. The implementation of the environmental management system (EMS) and sustainability actions and metrics are reviewed at the Leadership Team’s quarterly meetings. An internal Sustainability working group (SWG) comprises of representatives from several different functions: HR, marketing, product design and content, offering input on ongoing sustainability projects. Suunto participates in the events and training of FIBS (a Corporate Responsibility network of the Nordic countries, a partner of WBCSD) and other organizations on environmental management and ethical trade.

Related functions to sustainability in the organization are Product compliance, Health and Safety and Quality. The latter of which manages Suunto’s ISO 9001 Quality Management certificate and system.

The chart below describes the main components of Suunto’s sustainability system. The redesign of Suunto’s sustainability strategy was started in the end of 2021 and will be finalized in the first half of 2022. This includes setting new targets and indicators for the period of the new strategy.

The policies mentioned in the chart below have been renewed in 2021-2022, especially to strengthen guidance on ethical principles in product development, sourcing and supplier monitoring and auditing.



SUUNTO SUSTAINABILITY SYSTEM

DIRECTION & TRACKING	Sustainability strategy & strategic areas [3 years]				ANNUAL SUSTAINABILITY REPORT
	Targets & Indicators				
	Annual activity plan		Sustainability communications plan		
MANUALS & TOOLS	Industry risk analysis	Context analysis	Competitor analysis		
	Environmental management system (EMS) & related documents	ISO 14001 requirements & auditing	Responsible sourcing system & tools		
COMPLIANCE					
CODE OF CONDUCT, POLICIES & GUIDANCE	Ethical Policy	Modern Slavery & Human Trafficking Statement	Anti-Bribery & Anti-Corruption Policy	Whistleblowing channel	
	Supplier & Partner Requirements	Product & Substance Requirements	Procurement Guidance	Diversity, Equity & Inclusion Statement	
LEGISLATIVE FRAMEWORK	International- and EU environmental, chemicals and human rights legislation + reporting requirements				RELATED FUNCTIONS: COMPLIANCE HEALTH & SAFETY QUALITY MANAGEMENT

2.1 SUSTAINABILITY STRATEGY AND TARGETS

During 2021 Suunto has been following a two-year Sustainability plan and monitoring progress in the following areas:

- **CO₂e emissions***
- **Scrap in production**
- **Doing life cycle analysis for products**
- **Refurbishment rate/product re-circulation of products returns**
- **Full material declarations (Substance compliance)**

*To track our greenhouse gas emissions, we collect data on our annual energy consumption, waste creation, water and paper consumption and business travel.

The above-mentioned areas do have key performance indicators and targets were met in all areas, except on scrap which was 20% more than targeted. This has led to studying the possibilities for avoiding and reducing it in the future. During the year there were organizational changes in the company and

personnel changes in sustainability management and understandably this caused some delay in starting a few of the planned activities, which will be continued in 2022: for example, the product life cycle analysis.

Drafting of a new, three-year sustainability strategy began at the end of 2021 and as part of its finalization new targets and indicators will be set. The new strategy will be divided in three areas; environmental sustainability, social sustainability and good governance. One area to be strengthened is social sustainability, especially responsible sourcing and supply chain monitoring. Regarding environmental sustainability, we have learned that research is needed to be able to set company and product-appropriate numerical targets on specific impact-areas or manage them (climate actions, material efficiency, impact of raw materials, chemicals, to give few examples). These topics, and the impacts they have, are so specific and require such high-level specialization that it can be hard to find, even among professionals working in this field.

2.2 RISK MANAGEMENT

Suunto’s risk management process fulfills ISO 9001:2015 and ISO 14001:2015 requirements and is based on ISO 31000:2011 for suitable parts. Suunto’s Vice President (VP), Finance, holds the main responsibility for the risk management process and objectives. Our Senior Quality Manager is responsible for developing, following-up and maintaining the risk management process according to the steering of the VP, Finance. Risk management is a regular agenda item at the quarterly management review.

Risk assessments are performed by different process owners (functions/teams) for their own processes. The areas assessed include governance, supply chain, business, products, and compliance and regulations, and include corporate social responsibility risks, health and safety and environmental risks. The risk management process includes risk identification, analysis, evaluation, treatment, and monitoring.

Risks are reviewed and assessed annually by the VP, Finance, who conducts annual risk management mapping and assessment with

the support of the Senior Quality Manager and Sustainability Manager. Risk reporting and review is integrated into the Suunto Leadership Team ‘s periodical management reviews.



A full-page background image showing a rock climber in a green shirt and blue pants scaling a dark, textured rock face. The climber is positioned on the right side of the frame, with their body angled towards the left. The sky is a pale, overcast blue. The text "3 SUUNTO VALUE CHAIN AND RISKS" is overlaid on the left side of the image in large, white, bold, sans-serif font.

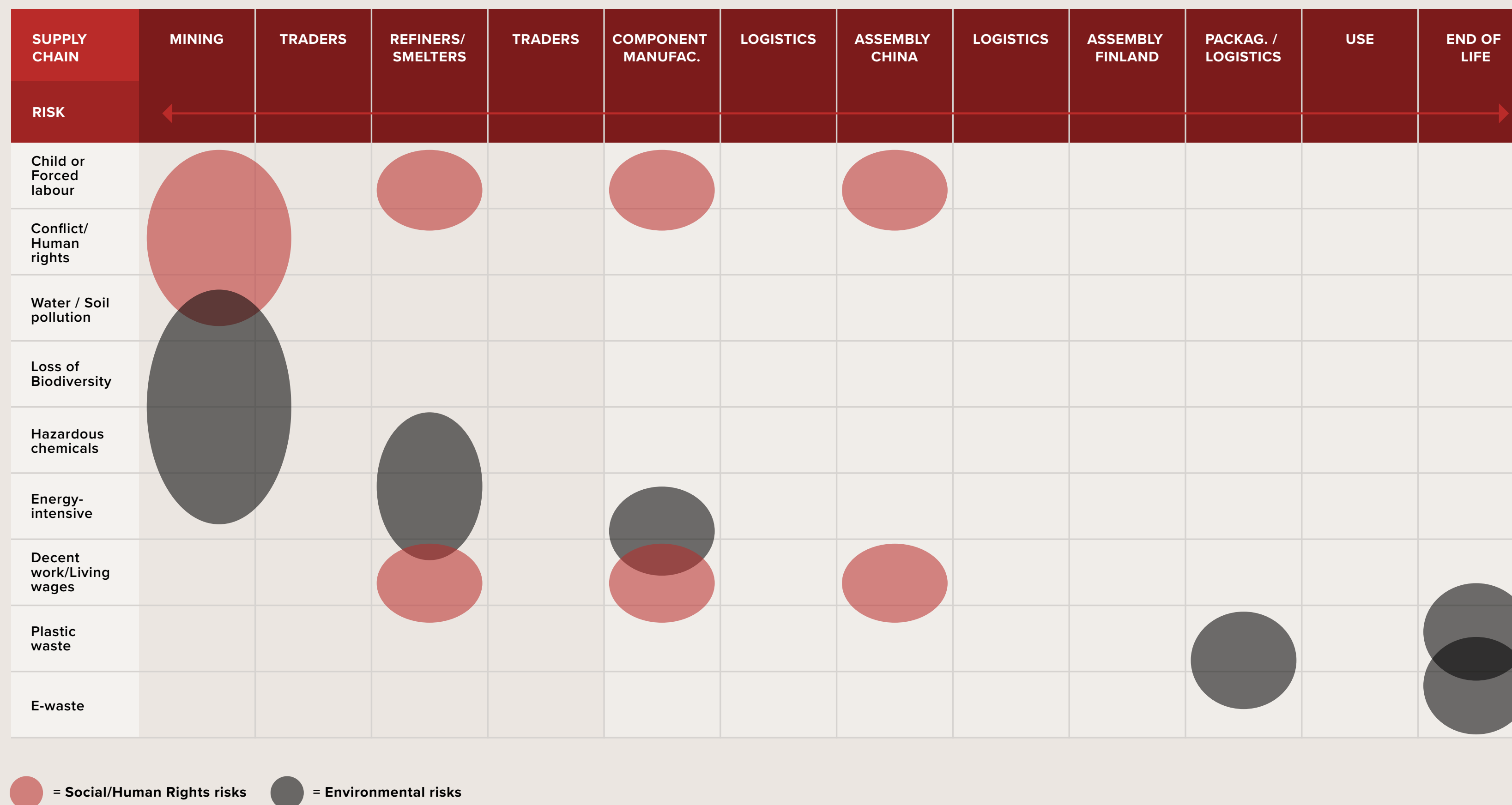
3 SUUNTO VALUE CHAIN AND RISKS

3. SUUNTO VALUE CHAIN AND RISKS

The vast majority (over 85% in 2021) of Suunto's products were made (the testing and assembly) in Suunto's factory in Finland by our staff. Apart from this, there is one contracted factory in China doing assembly (15% of products in 2021). Most of the components used in Suunto products are sourced from Asia or Europe, the ratio being 50/50 currently.

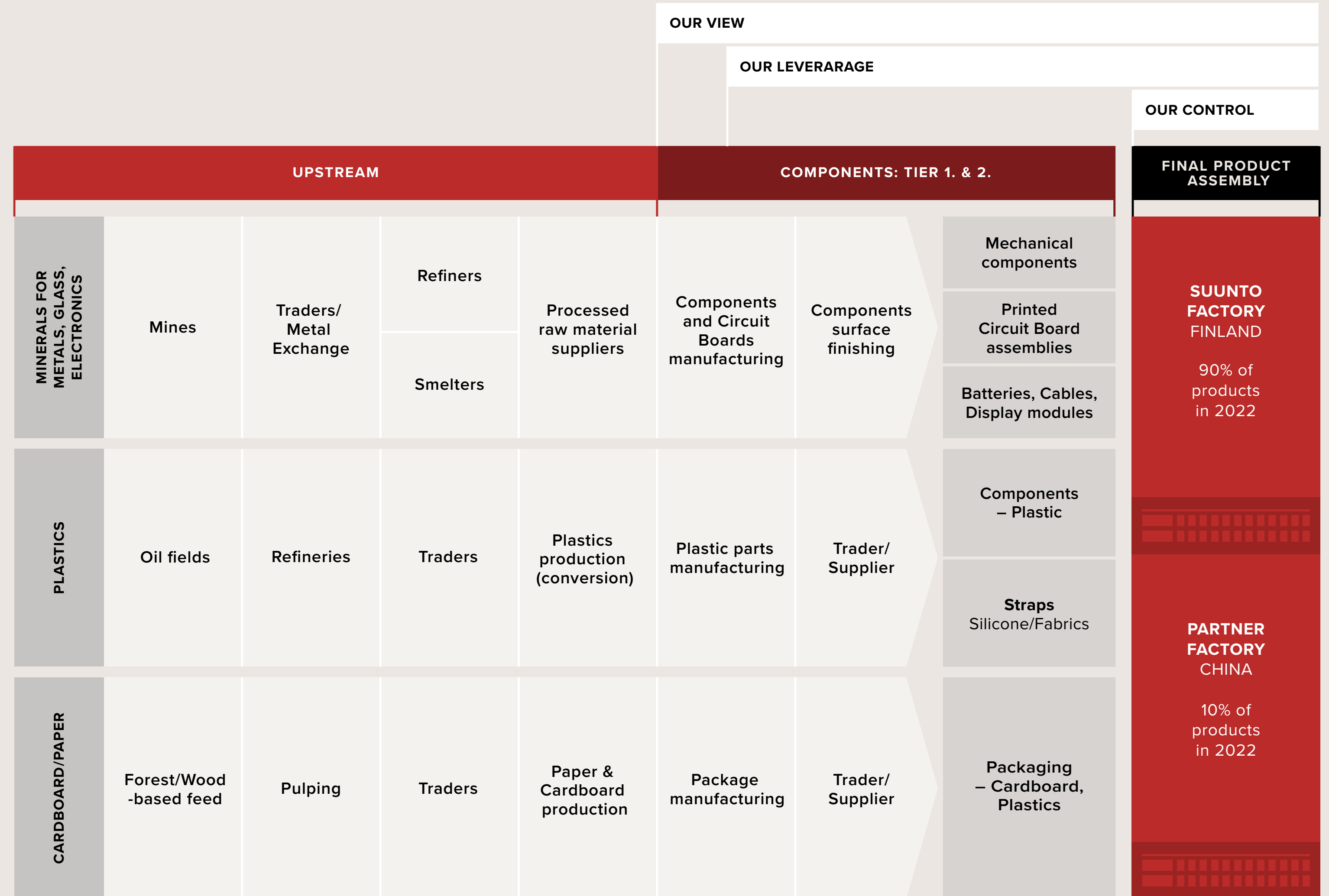
As is the current situation in the global electronics sector in general, we also acknowledge the challenge of traceability of raw materials and the complexity and length of the supply chains of our products. In 2021-2022 we did contextual and geotableical risk-assessment of the major production/sourcing locations.

The most common risks in the industry are presented in this graph and vary from pollution, high energy- and chemicals usage, forced relocation of communities, and the financing of armed conflicts via illegal mining to lack of basic rights at work (involuntary overtime, low pay, lack of freedom of association), and, lastly, the risk of forced and child labor.



It is important to recognize the areas where a company has direct control or leverage of these risks and find alternative ways to impact the areas lacking direct control. More on how Suunto is improving its due diligence in these matters is described in chapters five and six.

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



4 ENVIRONMENTAL SUSTAINABILITY

4.1 CERTIFICATIONS AND COMPLIANCE

The amount of reporting needs and requests for information from customers and stakeholders (NGOs, media, governments) is clearly growing. We see this as a positive sign and an indicator that environmental and sustainability topics are becoming increasingly important to both wholesalers, retailers and end-users. Simultaneously, the EU has several directives in process for strengthening the requirements for businesses on human rights due diligence, circular economy and environmental and climate impacts.

Suunto is ISO14001 (Environmental management system) certified company since 2013 and ISO 9001 (Quality management system) certified since 1996.

Following EU and national legislation we take care of our Extended Producer Responsibility (EPR) on packaging, electronic and battery waste by reporting and funding the take-back and recycling systems in different countries.

The product compliance from the sustainability perspective covers the energy use and energy

efficiency of products, chemicals use and substance compliance.

4.1.1 SUBSTANCE COMPLIANCE

Suunto created a new Substance requirements document in 2021-2022 that guides our suppliers on restricted substances and current legislation and helps them to ensure the products, assemblies, parts and components they deliver for our products don't contain any unwanted substances.

From 2019 we have collected full material data (full material declarations, FMD) from our suppliers for all parts in our products. The information we gather can guide our organization to improve the overall safety of the product and production processes. Greater clarity on the chemical composition of the materials used in our products empowers us and our suppliers to make informed choices on materials and avoid the use of potentially harmful chemicals in products. This asset is a powerful tool for risk-management, and it also gives us a better position to prepare for upcoming

changes in regulations, their potential impact on our products and ensure our regulatory substance compliance.

In 2021, data collection was ongoing, and we have a FMD (full material declaration) or MCV (maximum concentration values) data for 75.4 % of the requested components as of March 2022.

In 2021-2022 Suunto designed new packaging for our sport watches and increasing the percentage of recycled raw material in the packaging (to over 70%) and using 100% Forest Stewardship Council (FSC) certified material in parts that cannot be sourced as recycled.

4.1.2 CONFLICT MINERALS

Conflict minerals is an area where we, as does the whole extractive and electronics sector, have a lot of work to do. It is also one of the topics included in our Substance requirements for suppliers (3T; tin, tantalum, tungsten, gold + cobalt). We are studying possibilities to replace conflict minerals in products where pos-

sible, meanwhile requesting conflict mineral declarations from our suppliers and providing them to our customers whenever required. We are also joining an international initiative on responsible minerals in 2022.



4.2 EMISSIONS

We are working to continuously reduce our emissions and minimize our footprint. We have been collecting data on our annual emissions, covering Scope 1-2, and parts of Scope 3, since 2009 according to the GHG Protocol Corporate Accounting and Reporting Standard.

The GHG Protocol is a globally accepted and the most widely used standard for calculating the carbon footprint of companies and organizations. The calculation is performed according to the guidelines of the reporting standard in three different categories: Scope 1, Scope 2, and Scope 3. Reporting on Scopes 1 and 2 is mandatory, according to the GHG Protocol.



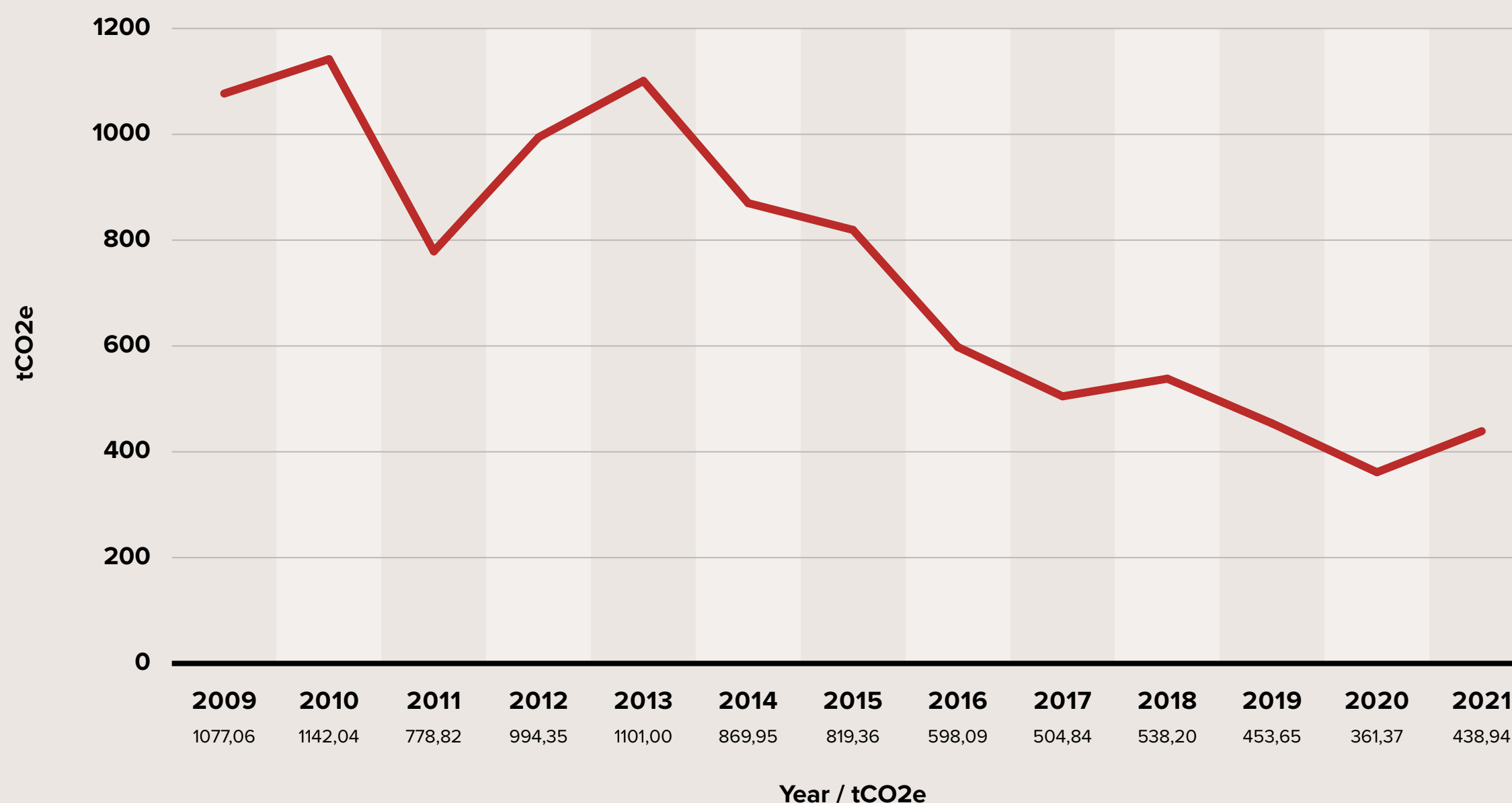
AN OVERVIEW OF THE GHG PROTOCOL AND ITS SCOPES

- **SCOPE 1:** Direct emissions from own operations (i.e., company facilities and vehicles, use of fuels, refrigerant losses).
- **SCOPE 2:** Indirect emissions from production of purchased energy consumed in own operations (electricity, steam, heating, cooling).
 - **Market-based reporting:** emission factors for energy production are based on specific market-based instruments and consider the specific emissions of the electricity we buy from our energy supplier, for example renewable energy.
 - **Location-based reporting:** emission factors for energy production are based on national/regional statistics i.e., emissions of Finnish electricity production.
- **SCOPE 3:** Indirect emissions occurring in our value chain. Emission sources are not owned or controlled by the company and include, for example, purchased goods and services, waste, transportation and distribution, use of sold products and end-of-life treatment of sold products. Scope 3 emissions are divided into 15 different emission categories in accordance with the calculation standard, from which we reported on four categories in 2021.



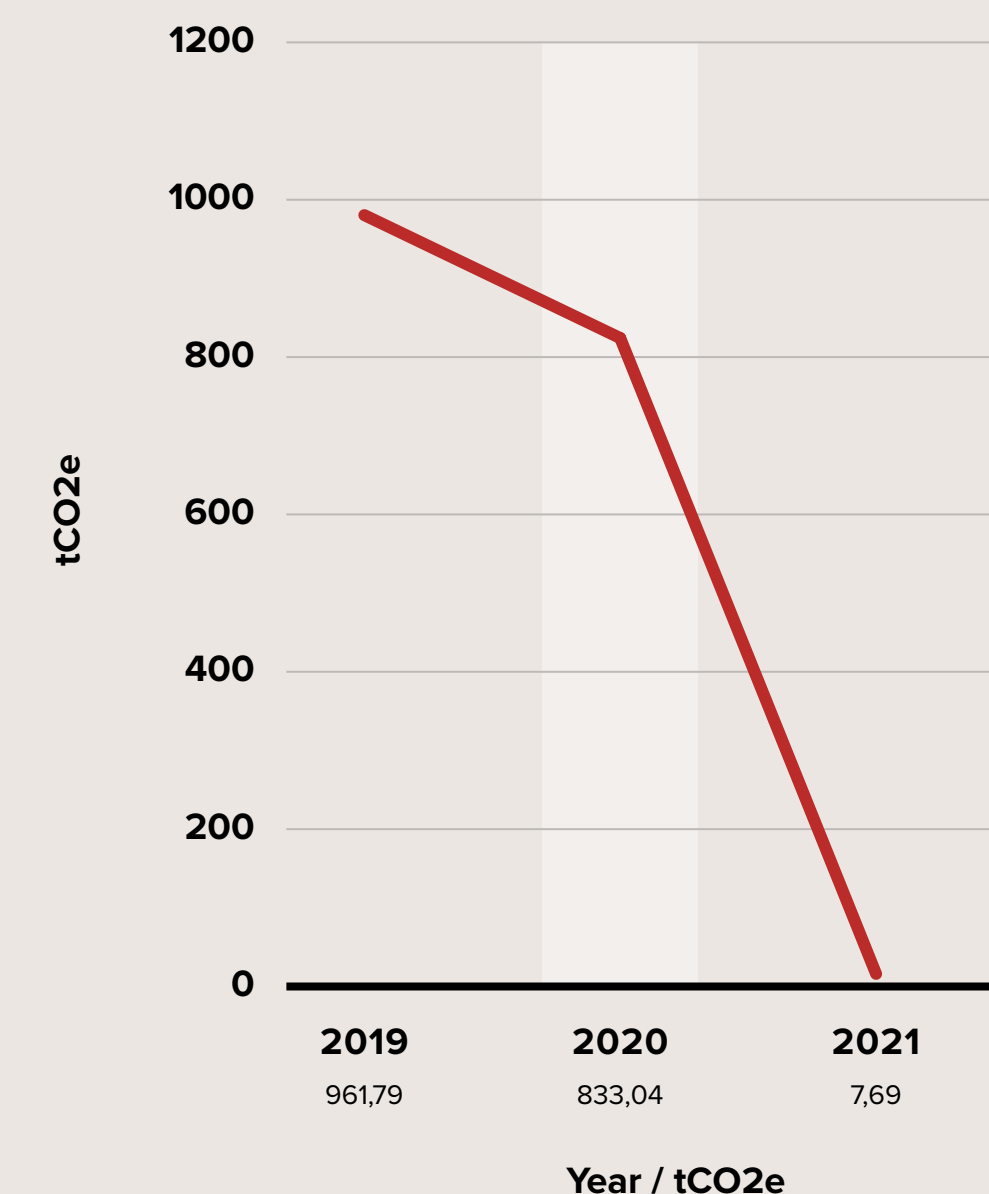
Here we present both Location-based emissions (data collected since 2009) and Market-based emissions (data collected since 2009) of our own operations. Location-based data has been collected for longer period, but in future we will emphasize reporting the Market-based data more, as it shows the actual emissions of our operations and the changes in them (rather than the more theoretical concept of Location-based reporting, where the wider geographical context and its emission-factors play a bigger role).

SUUNTO HQ AND FACTORY EMISSIONS (SCOPE 1 & SCOPE 2)
(LOCATION-BASED)



The emissions of our own operations (Scope 1 and 2, location-based) in our headquarters and the factory in Vantaa have been gradually decreasing over the past years. Our electricity consumption has remained at the same level over the past few years. Heating energy consumption has fluctuated more during the same period due to weather conditions.

SUUNTO HQ AND FACTORY EMISSIONS (SCOPE 1 & SCOPE 2)
(MARKET-BASED)



The emissions of our own operations (Scope 1 and 2, market-based) in our headquarters and the factory in Vantaa have decreased close to zero due to switching to renewable energy in 2021. We have been collecting data on our market-based emissions since 2019. The Scope 1 emissions related to refrigerant losses, total of 8 tCO2e were offset in 2021.

An overview of the Vantaa headquarters and factory carbon footprint (Scope 1, 2 and parts of Scope 3)

	2019	2020	2021	CHANGE % 2020-21	DESCRIPTION
Scope 1 (tCO₂e):	17	4	8	+100 %	Emissions related to refrigerant losses. No own vehicles or facilities. 8 tCO ₂ e emissions were offset in 2021.
Scope 2, market-based (tCO₂e):	945	829	0	-100 %	100% reduction due to change to renewable energy (electricity and district heating) in 2021.
Scope 2, location-based (tCO₂e):	437	357	431	+21 %	
Total Scope 1 and 2, location-based (tCO₂e)	454	361	439	+22 %	
Total Scope 1 and 2, market-based (tCO₂e)	962	833	8	-99 %	8 tCO ₂ e were offset in 2021, hence own operations (Scope 1 and 2) were carbon neutral in 2021.
Total Scope 3 (tCO₂e)	512	108	77	-29 %	Scope 3 reporting is currently limited to a few categories as shown below and the total Scope 3 emissions do not cover all relevant emission sources nor all Suunto facilities and operations.
Category 1: Purchased goods & services (incl. only paper and water)	5	4	3	-25 %	The reporting of this category covers only paper and water. The reporting does not yet include the most relevant emissions from the supply chain.
Category 3: Fuel- and energy-related activities	11	10	57	+470 %	2019 and 2020 figures do not include electricity grid, T&D (transmission and distribution) losses and are therefore not directly comparable to the 2021 figure.
Category 5: Waste generated in operations	2	2	2	0 %	
Category 6: Business travel	495	93	19	-80 %	The decrease in travel emissions has been due to Covid-19 restrictions in 2020 and 2021.

Suunto carbon emission calculations currently include the emissions of our operations in the Vantaa factory and headquarters. Our target is to include other operations, like regional sales offices (although they are very small in size and located in other countries) in the calculations from 2022 onwards. Of Scope 3 emissions we have reported four categories in 2021 (as seen in the previous overview).

In 2021, we started to use 100% renewable energy (electricity and district heating), which resulted in zero emissions (Scope 2) in the Vantaa headquarters and factory.

We offset the remaining minimal Scope 1 emissions (related to refrigerants), a total of 8 tCO₂e, with Verified Carbon Units (VCUs) through an emission reduction and forest protection project Kariba in Zimbabwe. Kariba is also a REDD+ project (Reducing Emissions from Deforestation and Forest Degradation in Developing Countries – a project falling under UN framework convention on climate change). The offsetting allowed us to achieve carbon neutrality in our own operations in Finland.

The Kariba Project protects almost 785,000 hectares of forests and wildlife on the southern shores of Lake Kariba, near the Zimbabwe–Zambia border. It connects four national parks and eight safari reserves, forming a giant biodiversity corridor that protects an expansive forest and numerous vulnerable and endangered species. As well as this, the project implements numerous community-focused initiatives beyond environmental protection, promoting the independence and wellbeing of local communities.

In 2021, there was a significant decrease in business travel emissions, mainly due to continued COVID-19 related restrictions. The emissions generated from waste have remained at the same level over the past three years.

We acknowledge that most of our emissions are created in our value chain, in purchased goods and services (especially components), followed by the use phase of our sold products and the end-of-life treatment of sold products (Scope 3 in the GHG protocol). We are developing our GHG reporting with a focus on the life cycle emissions of our products and are aiming to cover more Scope 3 categories in our reporting from 2022 onwards.



4.3 WASTE

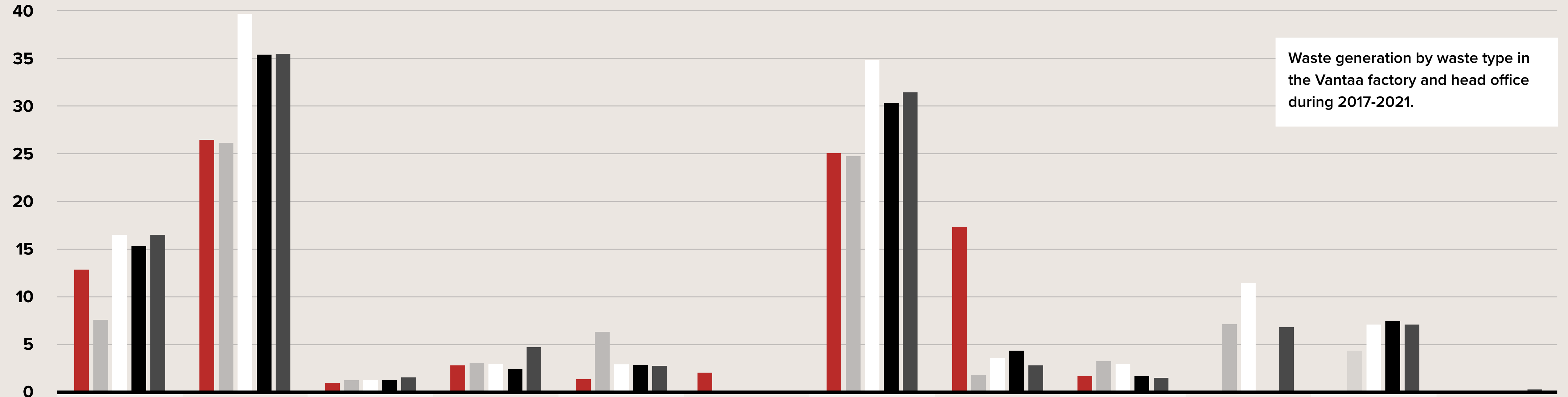
Suunto continuously works to reduce the environmental impacts of its own operations. The total amount of the waste we generate has remained close to the same level over the years, except for the past two years, when the reduction in generated waste has mainly been due to the increase in remote work due to the COVID-19 pandemic.

Our intention is to continue to generate zero landfill waste and strive to ensure all waste is recycled or reused whenever possible.

In 2021, there was a significant increase in mixed waste due to major office space refurbishment and a cleaning operation in Vantaa facilities. We aim to reduce and recycle our mixed waste more efficiently in the future. We have started a separate plastic collection to ensure a better use of plastics for recycling purposes. The amount of our generated waste is, however, only likely to account for an insignificant share of Suunto’s total emissions.

WASTE (TONNES)	2017	2018	2019	2020	2021
Recycling and reuse	48.2	38.1	55.7	45.3	33.5
Composting (incl. anaerobic digestion)	23.6	22.7	23.6	11.9	12.8
Incineration	38.8	40.5	43.8	28.5	44.3
Landfill	0.02	0.07	0.04	0.06	0.03
TOTAL AMOUNT OF WASTE	110.6	101.4	123.1	85.8	90.5
Waste recycled or reused	44 %	38 %	45 %	53 %	37 %
Waste to landfill	0 %	0 %	0 %	0 %	0 %

WASTE GENERATION IN VANTAA FACTORY AND HEADQUARTERS IN 2017-2021 (TONNES/YEAR)



	Biowaste	Energy waste	Glass	Paper	Metal	Plastic	Cardboard	Mixed waste	Hazardous waste	Construction waste	Kitchen grease trap	Dish service
2021	12,768	26,44	1,008	2,794	1,38	2,056	25,06	17,303	1,697	0	0	0
2020	7,584	26,17	1,296	3,073	6,348	0	24,72	1,863	3,235	7,14	4,34	0
2019	16,512	39,66	1,296	2,94	2,91	0	34,86	3,589	2,956	11,44	7,07	0,228
2018	15,274	35,36	1,29	2,444	2,85	0	30,34	4,361	1,709	0	7,44	0
2017	16,523	35,4	1,56	4,742	2,77	0	31,4	2,819	1,501	6,8	7,06	0,19

4.4 ENERGY

From the beginning of 2021 Suunto started using 100 % renewable and carbon-neutral energy at our headquarters and the factory in Vantaa.

Our electricity used is EKOenergy-certified wind power. The certification, established by the Finnish Association for Nature Conservation, guarantees that electricity is produced from renewable energy sources and meets the sustainability criteria of environmental organizations.

Our renewable district heating is produced from mixed waste from residents of the Helsinki metropolitan area and at the Martinlaakso biopower plant in Vantaa, Finland, which utilizes wood waste generated as a by-product of the forest industry.

We are also making efforts to reduce our electricity consumption and to improve our energy efficiency, for example by renewing our lighting to LED lights. 80% of the lighting at our headquarters and factory is already LED.

4.5 CIRCULARITY AND REPAIRABILITY

Suunto is designing its products to be high-quality, durable, and long-lasting. Our design philosophy is also to make our devices repairable to minimize waste and to lengthen the product life cycle.

We maintain a high-quality service network that repairs Suunto products. Our end-customers can count on a long-term partnership. In 2021, 72% of products reported by our service centers were repaired regardless of the age of the product or of the warranty status. We always strive to repair rather than replace – we do not like waste. Customers also highly value the service we provide. In 2021, Suunto Repair Services was rated with an NPS (Net Promoter Score) score of 56.

When it comes to ecommerce returns, for example, when a customer returns a product recently purchased from the suunto.com web shop, whenever we can, we refurbish the product and send it back out into the world for a second life. In refurbishment, the products are inspected and fine-tuned visually and functionally to ensure the outcome meets the same

quality standard as new Suunto products. In 2021, Suunto in Finland managed to re-circulate 91% of used product returns, which flow back into use via our own sales channels and web shop. These refurbished Suunto Adventure Renewed products offer a more sustainable and economical alternative to our customers' adventures by reducing electronic waste and ensuring precious resources are reused.

We are also participating in a case study being conducted by a thesis student of Sustainable Business Management researching the circular economy (CE) transition of the electronics sector. The student is evaluating the current status of Suunto regarding circular economy and looking to find development areas and new possibilities in moving towards circular economy.



4.6 LIFE CYCLE ANALYSIS (LCA)

Suunto wants to understand the full environmental impact of its products during their life cycle. We have begun by assessing the climate warming potential of our products. In late 2021, we initiated a life cycle analysis (LCA) for our sports watches. All stages of the life cycle, from cradle to grave, will be included in the calculation. This includes all materials used in the production of the products (raw materials extraction, components, watch straps and packaging) together with other significant emission sources like logistics, usage, and recycling.

The process has required significant volumes of data; gathering details of hundreds of different components and parts as well as mapping of material flows and user scenarios. The target is to finalize the process and have officially verified results in August 2022.

The results of the calculation will be utilized in product development and improvement, for example to help with material selection. The data will also serve as a basis for potential offsetting all or part of the emissions the products create in their lifetime.

A full-page background image showing two hikers in a mountainous landscape at sunset. One hiker, wearing a grey hoodie and a cap, is on the left, and the other, wearing an orange jacket and a beanie with a backpack, is on the right. They are high-fiving each other. The scene is bathed in the warm, golden light of the setting sun.

5 SOCIAL SUSTAINABILITY

5.1 HUMAN RESOURCES

We believe that at the heart of every successful business are people. By promoting and taking care of the well-being of our employees, we attract and retain the best talent and enable the continuity of our business.

The year 2021 was a year of transformation for Suunto. Our vision and strategy were updated with the focus on certain sports and consumers. Our way of working and the organization were modified to align with the new strategy.

The extensive remote work recommendation remained in place for nearly all of 2021. And our employees' ability to adapt to the continued remote work mode was relatively good. We continued to monitor the well-being of our employees by conducting an Employee Pulse survey twice a year. According to the latest survey at the end of 2021, **58% of respondents agreed or strongly agreed with the statement "I feel Suunto takes good care of my wellbeing at work" and 65 % with the statement "I have a good work-life balance"**.

As typical for the technology sector, the majority of Suunto's personnel are men (70%). At the year-end, 30% of Suunto employees were female and 29% of supervisor positions were filled by female employees. The gender distribution has been similar over the past three years. Suunto's seven-person leadership team was comprised of six men (86%) and one woman (14%) in 2021.

We maintain and develop a culture where everyone is welcomed and valued for who they are. To promote diversity and equality, we have implemented a recruitment process where we do not ask the gender of the applicant. We aim to increase the number of women to achieve a more even distribution of women and men in the workplace. The main emphasis is, however, selecting the best candidate with the right competencies and skills for each role. 36% of our new employees, who started in 2021, were women and 64% were men.

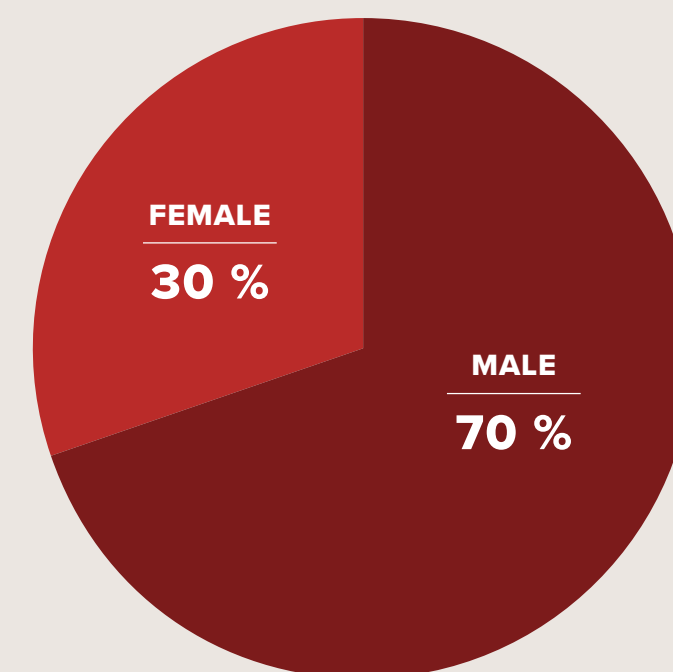
A mandatory code of conduct e-training was introduced for all employees in 2021. The

training outlines how we put our values into practice every day, and it sets the standard and guides the work of all our employees and everyone who works on our behalf. The training was available in 16 different languages to enable as many employees as possible to complete it in their native language.



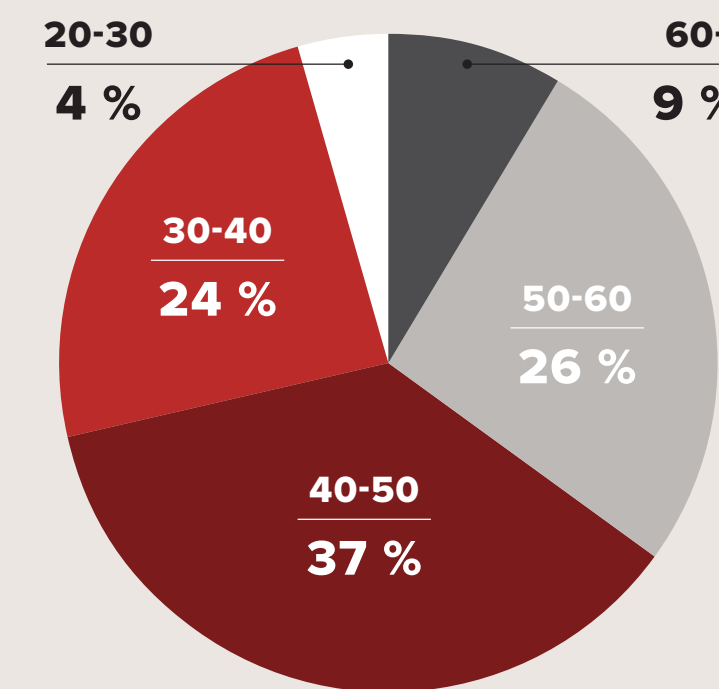
GENDER DISTRIBUTION

31.12.2021



AGE DISTRIBUTION

31.12.2021



NUMBER OF EMPLOYEES

(FTE=FULL-TIME EQUIVALENT)



5.2 HEALTH AND SAFETY

The safety of our employees is at the core of our business. Every employee has the right to a safe work environment.

To promote the health and safety of our employees, we have established an occupational health and safety steering group, which meets monthly. The group is responsible for management, development, and implementation of occupational safety measures. The group works closely with supervisors, occupational health services and different employee groups within the company.

Occupational safety was maintained through regular trainings, including first aid trainings, ATEX-training (explosive atmospheres), and monthly safety walks in 2021. Further, various wellbeing webinars and workshops on topics like resilience and motivation were organized for our employees. A dedicated COVID-19 preparedness group, established in 2020, continued its work informing regularly about coronavirus related issues. Occupational health services were further expanded to include COVID-19 tests and vaccinations.

In 2021, we had a total of three accidents in Finland. Our goal is to increase the number of near-miss reports to be able to pay special attention to the prevention of accidents.

In 2021, the Suunto rescue plan was updated, and our emergency exit plan was renewed during the year. As an ongoing project, we are improving our machine safety to reduce the risk of accidents and to further protect our employees.

5.3 DIVERSITY, EQUITY AND INCLUSION

Diversity, equity, and inclusion (DEI) are crucially important in today's business world, both inside the organization and in its products and communications. Suunto has also started taking greater action on this issue, as we want to promote and improve diversity and gender equality in our workplace. We launched a Diversity, Equity and Inclusion Statement (DEI Statement) in the beginning of 2022, as well as an Equality Plan (the latter required by the Finnish law). The statement was outlined by a working group consisting of members from multiple teams.

We also started defining creative controls on DEI topics in our product design, communications, and marketing processes. As this is a rising and evolving topic that requires constant education and development, we are planning to carry out a DEI assessment during 2022.



5.4 SUPPLY CHAIN DUE DILIGENCE

As mentioned in chapter four, we acknowledge the sectoral and geographical risks related to the production of electronics. Suunto started to renew the responsible sourcing system at the end of 2021. After mapping the supply chain and the risks, and recognizing the areas of direct control and leverage, forming a system and structures that guide the due diligence work has been essential. **The following policies and documents, that directly set expectations to suppliers and monitoring responsibility for us, have been renewed:**

- Product sustainability requirements
- Supplier requirements
- Substance requirements
- Ethical Policy
- Slavery and Human Trafficking Statement

We also expect any partner or supplier to observe our Anti-Bribery and Anti-Corruption Policy and the US Law No: 117-78 (12/23/2021) banning products or materials whose origins are in Xinjiang province, China. Having a whistleblowing

channel in place for any employee or stakeholder grievances supports the work on transparency and responsibility.

Our own factory in Finland is manufacturing the vast majority of our products and remains under our control and is a low-risk area in the supply chain. The further we move up in the supply chain, the more our leverage or visibility reduces, as explained in chapter four.

Up until May 2022 we followed our previous owner's (Amer Sports Group) supply chain monitoring and due diligence practices. The contracted factory in China, with whom we have been cooperating for more than 20 years, was audited by an external agency according to the guidance of Fair Labour Association (FLA). Amer Sports is a member of FLA and hence the same standards on supply chain due diligence were extended to all its brands, including Suunto.

While renewing the company policies in 2022, a wider scope was identified for supplier monitoring and auditing. The vast majority of the components have their origins in China; therefore,

we have decided to focus our monitoring and auditing efforts on strategic Tier 1. suppliers in China. Suunto Ethical Policy and Slavery and Human Trafficking Statement (done in accordance with Ethical Trading Initiative's guidance), and the other requirements define the detailed expectations for suppliers and partners and the next steps on implementing the supplier monitoring.

In 2022, the next steps to implement the responsible sourcing among the suppliers include the translations and communications of the requirements and starting/continuing the supplier self-assessments and audits. We do have some positives to mitigate the supply chain risks. The first is Suunto's product offering that focuses more on quality and durability than low prices. Secondly, we have long trade-relations with many of the suppliers (one of the fair trade principles of international organizations) which is expected to enhance the cooperation on ethical supply chain topics. We also do have local personnel in China to support sourcing and having the possibility to visit factories.

In the global electronics sector, it is challenging to create visibility beyond Tier 1 (to component and part sub-manufacturers). And even more so in the extractives sector that supplies the raw materials for the components used in products (mines, smelters/refineries and wholesalers/traders). Related to the lack of transparency on the one hand and the existing human rights risks related to raw materials on the other, we will work through partners and support the sector's transparency initiatives.



A photograph of three hikers sitting on a grassy hillside. The hiker on the left is wearing a blue puffer jacket and a cap. The hiker in the middle is wearing a blue jacket and dark pants. The hiker on the right is wearing a red jacket and a black cap. They are surrounded by colorful gear bags (yellow, red, blue) and are looking towards the right. The background is a clear blue sky.

6 GOVERNANCE

6. GOVERNANCE

The company’s practices on good governance, alongside social and environmental responsibilities, form the basis for the long-term value creation and stable business operations. Good governance is crucial in building trust and transparency among our customers, consumers, employees, partners, the wider public and other stakeholders. Ethical operations are a prerequisite for our success and cornerstone for responsible, efficient, and profitable business. Suunto’s management is committed to a responsible and compliant operating culture.

Suunto’s strong brand and our stakeholders’ trust are incredibly important to us. We are committed to operating ethically to maintain these assets. Our ethical principles guide us in our daily business operations and decision-making. All our employees in all operating countries were required to complete a code of conduct e-learning training. This was to ensure the shared understanding of the ethical principles and that the related practices from basic rights at work to anti-corruption and non-discrimination are implemented in our day-to-day work.

The following guidelines and policies support our daily business and guide us on how to drive sustainability and good governance in practice:

- **Suunto Code of Conduct**
- **Anti-Bribery and Anti-Corruption Policy**
- **Ethical Policy**
- **Slavery and Human Trafficking Statement**
- **Diversity, Equity and Inclusion Statement**
- **Data Policy**
- **Privacy Statement**
- **Environmental Policy**
- **Substance requirements**
- **Product requirements**
- **Supplier requirements**
- **Health and safety management**
- **Company risk management (part of Quality management system)**
- **Whistleblowing channel**

ANTI-BRIBERY AND ANTI-CORRUPTION

We have identified the risks of corruption and bribery in our operations. Suunto has zero tolerance for all forms of bribery and corruption in our operations. We have a clear, written management-approved policy on corruption and bribery which outlines and defines the principles, roles and responsibilities pertaining to anti-bribery and anti-corruption practices. The policy has been communicated to all employees, customers, and partners.

WHISTLEBLOWING CHANNEL

We are committed to ensuring that our ethical principles are met. We reinforce a culture where our employees and other stakeholders feel confident to raise concerns related to actions which are not in line with our policies or applicable laws and which may harm individuals, our company, or the environment. Our personnel and external stakeholders can anonymously report suspected or experienced misconduct through the Suunto whistleblowing channel. All reported issues are treated confidentially and fairly, and

assessed thoroughly with the help of the Legal function. As an early warning system, the channel helps us to reduce risks and is an important tool to foster high business ethics and maintain customer and public trust. In 2021, no cases were reported through the whistleblowing channel.



7 CHALLENGES AND AREAS OF IMPROVEMENT



7. CHALLENGES AND AREAS OF IMPROVEMENT

Suunto wishes to serve its users and customers better. More and more people consider the environmental and social sustainability topics important. During the reporting year we have seen growing interest from stakeholders in the sustainability aspects of our business.

As a company manufacturing consumer products, especially electronics, there is always room for improvement, from climate impact to better raw materials to circularity and reduction of waste and supply chain monitoring.

One of our observations is that as the sector and its global material streams are so complex, it takes time and a lot of work to create visibility in the supply chain and to work with the suppliers on necessary changes. One sign of the complexity of the sector and the products is the fact that there are no ethical or widely recognized environmental certifications for electronics similar to other product segments. It is our experience that consumer-facing changes may take much more time compared to other sectors, like clothing or apparel and this requires extra communication from our side. An-

other factor making the changes slow is the need to test any material or component we use because as a high-end manufacturer we put a lot of emphasis on product durability and longevity.

Searching and testing more sustainable materials or making other improvements in the products requires cooperation from multiple teams. It takes a long time and sometimes it would require investigating the whole value chain and product development process.

The global community, including international organizations, lawmakers and consumers, is starting to wake up to the problems linked to the production of electronics, especially in the extractive sector linked to it. The availability issues of components during the COVID-19 crisis and the diminishing reserves of many key minerals needed in electronics highlight the need to make changes in the sector and start recycling minerals more widely, among other things. Companies will be pushed in this direction by evolving EU legislation in the near future.

In 2021-2022, we made the decision to start including more tiers and suppliers into our social auditing scope and we acknowledge this requires extra effort on translating our key ethical documents and communicating our requirements in different languages and building cooperation with suppliers that goes beyond audits. In this we have to consider the risk-category of the contexts we work in, changes in socio-political and business environments and possible lockdowns or other events hampering visits and audits. Due to COVID-19 we experienced such obstacles up until summer 2022 in China, for example.

Although we are very proud that we have been able to reduce the emissions of our own operations in Finland (HQ and factory manufacturing 90% of our products) to zero, we acknowledge that most of the emissions of the value chain of our products are created prior to us in the supply chain. Our current Scope 3 emissions do not cover all relevant emission sources, especially those of the raw materials or the emissions of our suppliers. We hope to develop a complete Greenhouse Gas (GHG) inventory, including the total emissions of our products.

One challenge, and a goal, is to create product and sector appropriate, numerical impact indicators. To set them we have to evaluate of the current state of certain parameters and consult comparative data or professional organizations to set correct and ambitious targets. The challenge has been to find sources or people specialized enough to for this.

Apart from the above, Suunto has to also ensure it prepares itself for the upcoming legislative changes and new compliance requirements on both social responsibility and environmental sustainability and circularity.






SUUNTO