

# SUSTAINABLE GOALS





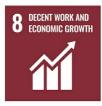
































# To Readers Of The Report

Business and the public sector have a great impact on people, society, the environment, and animals and can both contribute positively to development, or negatively by causing harm. Businesses therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs).

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

Responsible business conduct is the systematic effort that businesses do to identify, prevent or mitigate adverse impacts and explain how they manage their risks of negative impact to people, society, and the environment as well as provide remediation where this is required. Norwegian authorities expect all businesses, regardless of their size, to carry out due diligence in accordance with the UN's Guiding Principles for Business and Human Rights (UNGP) and OECD's Guidelines for Multinational Enterprises. This applies to businesses, the public sector, and organisations.

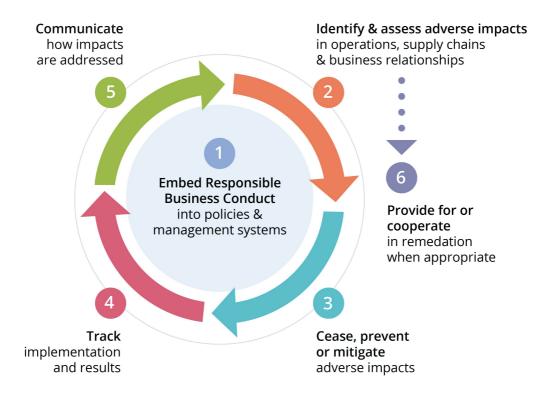
Ethical Trade Norway's Declaration of Principles (our Code of Conduct) covers the areas of decent work, human rights, environment/climate, anti-corruption, and animal welfare. This report is done in full transparency and in line with UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

Heidi Furustøl Executive Director Ethical Trade Norway

# Due diligence

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD model for Due Diligence for Responsible Business Conduct.

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.



# Preface From CEO

The sustainability strategy of Europris is based on the UN sustainable development goals (SDGs) and a comprehensive materiality analysis covering our actual and potential impact on environmental, social and governance (ESG) aspects. The strategy covers four main areas: our products, our climate profile, our people and our social responsibility. Sustainability is an integrated part of our value chain, and thereby a natural part of our decision processes. We want to give all our customers the opportunity to make sustainable choices at affordable prices, and we work to reduce our emissions in line with the Paris agreement. We have therefore committed to the Science-Based Targets initiative (SBTi), with the goal of reaching net zero by 2050.

Admittedly, sustainability is not only about emissions. Oue people is what make us great, and therefore a large part of our strategy relates to our people. We have been a member of Ethical Trade Norway (ETN) since 2014 and thereby seek to increase the attention we pay to working conditions in the supplier chain while also aiming to make ethical and sustainable products more easily available to our customers. The collaboration with ETN is firmly rooted in management and incorporated in our procurement guidelines. As a considerable retailer, we influence many suppliers and their employees. We create jobs and economic growth by purchasing goods from a number of countries, which imposes a great responsibility. We are conscious of this responsibility, and have a good collaboration with our suppliers over improvement processes and trade based on the ETN's ethical procurement guidelines. Work with the supplier chain has been a key concern for us over many years, and is being continued by giving the greatest emphasis in this year's materiality analysis to human rights due diligence.

Our ambitious strategy for continued growth means that we are constantly on the lookout for new products and suppliers. By complying with the OECD's guidelines for responsible business conduct, we will help to:

- protect the environment
- respect human rights
- safeguard labour rights
- avoid corruption.

With our large volumes and efficient operation, we can ensure that ethical and sustainable products become more readily available to customers at affordable prices. Our job is not only to procure responsibly. We also have a responsibility to make it easier for customers to make sustainable choices in store. The collaboration between our employees, our customers in the store and our suppliers is also crucial for our collective ability to reach the UN SDGs. We look forward to continuing this important job in coming years.

" Our job is not only to procure responsibly. We also have a responsibility to make it easier for customers to make sustainable in-store choices. "

Espen Eldal

CEO, Europris ASA

Epm Elder

# **Board Signature**

Tom Vidar Rygh Chair

Claus Juel-Jensen

Hege Bømark

Bente Sollid Storehang

Karl Svensson

Tone Fintland

Pål Wibe

Espen Eldal CEO

Fredrikstad 23.03.2023

# Company information and business context

# Key company information

#### Company name

Europris ASA

#### **Head office address**

Dikeveien 57, 1661 Rolvsøy

#### Main brands, products and services offered by the company

Europris offers a broad range of products in most categories, such as groceries, laundry and cleaning, textiles, sports and leisure, and interiors, but is also a big player with seasonal goods. The group sells many of the best-known branded products as well as its own brands.

#### **Description of company structure**

Europris is Norway's largest retailer of a broad selection of goods measured by sales, and offers a range of quality products covering private brands and branded goods in 15 product categories:

Personal care
Groceries
Laundry and cleaning
Clothes and footwear
Hobby and office
Handyman
Travel, sports and leisure
House and garden
Electronics
Confectionary and snacks
Petfood and accessories
Carpets and home textiles
Kitchen
Storage

Candles and interior

The group's goods are sold through the chain, which comprises a network of both directly owned and franchise stores across the whole of Norway. It is organised with Europris AS as the wholesaler and chain centre. Work on due diligence assessments is allocated to the Quality and Product Safety Department of Europris AS, which reports directly to the management team and the CEO. The Strategy and Sustainability Department has an advisory role and is responsible for the annual reporting and statement required by the Norwegian Transparency Act.

#### Turnover in reporting year (NOK)

9 016 000 000

Number of employees	
3 444	
Is the company covered by the Transparency Act?	
Yes	
Major changes to the company since last reporting period	
Europris acquired 67 per cent of Strikkemekka Holding AS in 2022.	
Contact person for the report (name and title)	
Rino Lithander, Sustainability Adviser	
Email for contact person for the report	
rino.lithander@europris.no	

# Supply chain information

#### General description of the company's sourcing model and supply chain

Europris has a procurement model which concentrates on efficiency along the whole value chain from supplier to customer. Its goal is to keep costs low through optimised and efficient procurement, logistics and distribution processes. The group's experienced procurement team purchases large quantities of goods, which are mainly acquired directly from suppliers in European and Asian countries.

Number of suppliers with which the company had commercial relations in the reporting year

1427

#### **Comments**

Europris procures products from suppliers worldwide. The large number of these imposes an even greater responsibility for ensuring that fundamental human and labour rights are observed.

Type of purchasing/ suppliers relationships



Own or joint venture production



Direct contracting/purchas es



Purchases through agents/intermediary/ importers/brands



Other

List of first tier suppliers\* (producers) by country

Global: 654

State the number of workers at first tier producers that the company has an overview of, and the number of suppliers this overview is based on:

**Number of workers** 

13 722

Number of suppliers this	overview is based on
--------------------------	----------------------

10

# Numbers of workers per supplier (calculated average)

1373

#### **Comments to number of workers**

The number of workers is derived from 10 prioritized suppliers.

# Key inputs/raw materials for products or services and associated geographies

Vinyl	China
Steel	China
Zinc	China
Potassium	China
Aluminium	China
Polyurethane	China
Wood fibre	China

Key inputs are derived from 10 priority product groups.

Is the company a supplier to the public sector?

Yes

# Goals and progress

### Process goals and progress for the reporting year

Goal: Update the internal guidelines to accord with the Transparency Act

Status: Achieved

Goal: Produce a plan for internal communication in Europris.

Status: Achieved

Goal: Update supplier contracts.

The contract template has been updated. Eighty-five per cent of supplier contracts have been Status:

updated. Old contracts are being updated continuously (75 per cent of all contracts are one-year)

Assess the division of responsibility, and include more relevant departments and people with Goal:

procurement responsibility.

Achieved Status:

Goal: Provide training and adequate resources for employees with procurement responsibility

Achieved Status:

Goal: Continue to develop reporting systems.

Status: Achieved

### **Goal for coming years**



Yearly increase in group products sourced from risk areas that come from socially audited suppliers. (92.4~per~cent~audited~to~the~Business~Social~Compliance~Initiative~(BSCI)~standard~in~2022)



Update all supplier contracts by the end of 2023.



Provide training and adequate resources for new people given procurement responsibility.



Start work with environmentally audited suppliers and factories in order to be able to report in 2024 (collaboration with the Business Environmental Performance Initiative – Amfori BEPI)



# 1.A Policy\* for own business

# 1.A.1 Link to publicly accessible policy for own business

https://investor.europris.no/about-us/corporate-governance/policies/default.aspx

#### 1.A.2 What does the company say publicly about its commitments to respect people, society, the environment and climate?

In order to make Europris' position clear to employees, suppliers and other stakeholders, a dedicated policy and supplier code of conduct has been developed which describes the group's requirements for human and labour rights, anti-corruption, animal welfare and the environment. This policy and code of conduct are based on the UN and ILO conventions.

To ensure compliance with these principles, Europris will conduct annual due diligence assessments in line with the OECD guidelines for responsible business conduct.

Europris expects openness throughout the value chain. If deviations occur, corrective measures will be instituted in collaboration with the supplier. If the supplier is not willing to institute measures, the collaboration may be terminated.

#### 1.A.3 How has the policy/commitment been developed and how is it embedded in the company?

The board and management have established clear goals and strategies, and conduct risk analyses to ensure value creation to all stakeholders. Effective utilisation of the organisation's resources, with sustainability as the starting point, is essential. Europris have developed policies related to the following sustainability topics: ethical trade and guidelines for suppliers, anti-corruption, data security, trade sanctions and whistleblowing. These policies provide guidance on responsible business conduct, both externally and internally, with goals on trust, loyalty and avoiding negative impacts in the value chain.

These policies are revised and approved annually by the board.

A project on giving life to policies was initiated in 2022 in order to strengthen their entrenchment across the organisation. This project has identified which policies are relevant for what roles, and will ensure the necessary reviews and training where required.

# 1.B Organisation and internal communication

#### 1.B.1 How is the due diligence work organised within the company, and why?

Overall responsibility for due diligence assessments rests with the International Sourcing Director. The Sustainability Manager has a responsibility to follow up the sustainability strategy, while the Quality Manager is responsible for following up due diligence assessments in collaboration with the other departments and the group's own procurement office in Shanghai (SHO). The SHO comprises 35 employees who are specialists within their product categories and play an important part in Europris' efforts to secure responsible suppliers in Asia. Procurement of goods is followed up in Asia by the SHO and reported to the Quality and Product Safety Department and the International Sourcing Director. Follow-up in Europe, the Middle East and Norway rests with the Quality and Product Safety Department. Goods not for resale (GNFR) and services in general are followed up by the operations manager of the relevant department.

Overall responsibility for practical implementation and follow-up rests with the Quality Manager. Parameters are determined by the compliance function.

#### 1.B.2 How is the significance of the company's due diligence work defined and clarified for the employees through their job description, work tasks and incentive structures?

A set of documents has been produced and approved, and is reviewed annually by the board to ensure that the group's activities, routines and organisation accord with applicable regulations.

Its contents include an ethical guideline which is reflected in an electronic manual available to all employees. Dialogue and meetings are also used to ensure and clarify the practical significance of these policies and requirements.

#### 1.B.3 How does the company make sure employees have adequate competence to work on due diligence for responsible business conduct?

Adequate competence for work on due diligence by relevant employees is assured through:

- courses provided by Ethical Trade Norway (ETN)
- establishing dialogue and meetings with key personnel
- assessing the necessity of and opportunities for offering more employees relevant courses rooted in experience from due diligence work.

So far, the Quality Manager and Sustainability Adviser at the head office in Fredrikstad have taken ETN courses, and work is under way to give life to internal guidelines in relevant departments.

In-house courses and training have been conducted, and are a natural part of the training plan at the SHO in order to ensure the necessary expertise is also present in Asia. Particular attention is paid to due diligence and compliance.

# 1.C. Plans and resources

#### 1.C.1 How are the company's commitments to respect people, society and the environment embedded in strategies and action plans?

Sustainability is an important and integrated part of Europris' business strategy. The group's commitment to respecting people, society and the environment is enshrined in a dedicated sustainability strategy which is well embedded in the board and monitored by the sustainability management team in the group. Europris has a separate sustainability department which works to operationalise the strategy with clear key performance indicators (KPIs) as the basis for action plans and measures. The sustainability strategy, plans and measures are presented in the annual sustainability report, which is publicly available on the Europris website at https://investor.europris.no/financials/annual-reports/default.aspx.

#### 1.C.2 How is the company's strategies and action plans to work towards being responsible and sustainable followed up by senior management and the board?

Working systematically on improvement measures is a key topic for the management and board. In order to help employees to achieve results by working more efficiently, the management has appointed a dedicated Lean manager and offers Lean courses for managers and key people in the organisation. The Lean methodology offers an approach to managerial development where personnel are involved and can help create a culture of continuous improvement.

A sustainability department has also been established to ensure progress with and continued development of Europris' strategies and plans for responsibility and sustainability across the organisation. The group's goals and plans are being continuously developed, and new ambitious targets are expected to be set in coming years. Europris' strategies and plans are followed up by the management and board through:

- the Sustainability Manager reporting weekly to the Strategy and Sustainability Director
- management reporting quarterly to the board and annually on the strategy plan.

Important topics for management and the board are to:

- Increase annually the proportion of third party certified products
- Reduce annually the quantity of packaging in the own-sourced products
- Ensure all own-sourced products use recycled and/or recyclable packaging
- Reduce complaints annually for key product groups
- All group products sourced from risk areas will come from audited (social and environmental) suppliers by 31 December 2030
- Reduce the group's GHG emissions in line with the Paris agreement and reach net zero by 2050 (SBTi)
- Increase energy efficiency in the stores by 20 per cent from 2022 to 2030
- Reach an overall(stores, warehouse and head office) recycling rate of 85 per cent by 2025
- Be an attractive workplace which develops and cares about employees
- Provide more opportunities for inclusion in working life
- Be perceived by employees as a responsible societal player which contributes to the local community.

Europris sets the following supplier criteria where ethical trade is concerned:

- 1) All suppliers and factories with a BSCI audit must have a score of C or better. Europris works continuously to identify deviations and correct these.
- 2) All suppliers must approve and sign Europris' code of conduct
- 3) Suppliers must have an overview of and share information about where the various components of their goods are produced and where their raw materials come from.
- 4) Suppliers must give Europris access to their production site, associated buildings and rest facilities.

# 1.D Partnerships and collaboration with business relationships, suppliers in particular

### 1.D.1 How does the company emphasise the importance of responsible and sustainable business conduct in its business relationships, particularly in the supply chain?

Europris emphasises the importance of responsible and sustainable business conduct in meetings with business partners by reviewing its code of conduct and incorporating it in signed collaboration agreements, and by holding supplier gatherings where this subject is an important part of the agenda. Where suppliers in Asia are concerned, such meetings have been conducted digitally for the past two years (physical meetings are preferred) together with other top executives from Europe and managers from the largest suppliers. Historically, these gatherings have taken place in Guangzhou with participants from the whole of south-east Asia.

Link to publicly available guidelines: https://investor.europris.no/about-us/corporategovernance/policies/default.aspx

# Indicator

Percentage of the company's suppliers that have accepted guidelines for suppliers



2022

# 1.E Experiences and changes

#### 1.E.1 What experiences have the company encountered during the reporting period concerning responsible business conduct, and what has changed as a result of this?

During 2022, clear KPIs based on the sustainability strategy were embedded in the group. These are aligned and fundamented in the whole organisation and will ensure better overall goal attainment at every level. Europris is extending the number of headcounts related to sustainability and will be appointing a Sustainability Controller. An extensive materiality analysis conducted in accordance with the Global Reporting Initiative (GRI) framework of 2021 shows that human rights due diligence is ranked as the most important of the group's significant materiality topics.

The group has identified suppliers in Asia as its highest risk for not following ethical standards and expectations. Experiences in 2022 shows that this assessment is correct and must be sustained.

This will be achieved through continued development of work which has already been initiated with the SHO, membership of the Amfori BSCI, and guidance/courses from ETN. Europris will also work to enhance knowledge of ethical and social guidelines throughout its organisation and strengthen the attention devoted to parts of the supplier chain outside Asia.



# 2.A Mapping and prioritising

#### STATEMENT ON SALIENT ISSUES

Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.

2.A.1 List the company's prioritised risk of negative impact on people, society and environment. Take note that the prioritized risk that you list in the table below will be exported to step 3 of this report, where you will be asked to answer how you work with stopping, preventing, or reducing the negative impact.

Salient issue	Related topic	Geography
Forced labour	Forced labour	China
Poor health and safety	Occupational Health and safety	China
Lack of union rights	Freedom of association and collective bargaining	China
Pay below official minimum wages	Wages	China

Europris covers the whole of Asia and has through the Shanghai procurement office (SHO) delegated responsibility for following up suppliers throughout south-east Asia. The significant share of procurement for Europris come from China, and thus this area has a high priority in our due diligence work.

#### **DETERMINATION OF SALIENT ISSUES**

2.A.2 Describe: a) the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period: b) eventual aspects of the company that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work: c) how information was gathered, what sources were used, and which stakeholders have been involved/consulted: d) whether you have identified areas where information is lacking in order to get an overview, and how you are planning to proceed to collect more information/handle this.

Europris routines for mapping and identifying risk build on a collaboration between personnel responsible for procurement, the Quality and Product Safety Department, the SHO, and the Department for Strategy and Sustainability. The criteria which form the basis for mapping and identifying potential risk are:

- production country/risk area
- risk product
- volume/turnover

Sources used include the Global Rights Index from the International Trade Union Confederation (ITUC) and the high-risk list from the Norwegian Agency for Administration and Financial Management (DFØ).

Information on the priority suppliers were acquired from factory audits, both third-party (Amfori BSCI) and conducted for the group by the SHO's quality department and external partners.

#### ADDITIONAL SEVERE IMPACTS

2.A.3 Describe any other negative impacts on people, society and the environment that were identified in the mapping of the business, supply chain or other business relationships during the reporting period and how these have been handled.

Challenges identified other than those assessed as the most serious include:

- living wage: pay above the official minimum rate but below the level considered necessary to support everyday
- unreasonable amounts of overtime.

Low pay and unreasonable overtime represent related challenges, and are a subject the organisation wants to do more work on in the future. These problems are also addressed through the Amfori BSCI audit.



# 3. A Cease, prevent or mitigate

3.A.1 For each salient risk, add a goal, progress status and describe the measures you have implemented to handle the company's prioritized negative impact on people, society and the environment

Salient issue	Forced labour
Goal:	No forced labour will occur.
Status :	No forced labour has been identified.
Goals in reporting year :	<ul> <li>- Annual increase in the proportion of certified products</li> <li>- All products from risk areas will be provided by audited (social and environmental) suppliers and factories no later than 31 December 2030.</li> </ul>

#### Completed measures and reasoning:

- 1) Reviewed and signed the code of conduct for suppliers, which sets clear requirements and expectations.
- 2) Factory audits to ensure compliance with ethical requirements and expectations.

- Annual increase in the proportion of certified products
- All group products sourced from risk areas will come from audited (social and environmental) suppliers by 31 December 2030

Salient issue	Poor health and safety
Goal:	Protect worker health and safety.
Status :	No serious deviations identified.
Goals in reporting year :	<ul> <li>- Annual increase in the proportion of certified products</li> <li>- All group products sourced from risk areas will come from audited (social and environmental) suppliers by 31 December 2030</li> </ul>

# Completed measures and reasoning:

- 1) Reviewed and signed the code of conduct for suppliers, which sets clear requirements and expectations.
- 2) Factory audits to ensure compliance with ethical requirements and expectations.

When the group visits suppliers, it often asks to view dormitories for shift workers to ensure that requirements are also met there. Some deviation from the expected standard has been in connection with such facilities, and Europris is therefore devoting extra attention to this issue and pursuing dialogue on it.

- Annual increase in the proportion of certified products
- All group products sourced from risk areas will come from audited (social and environmental) suppliers by 31 December 2030

Salient issue	Lack of union rights
Goal:	Protect worker rights.
Status :	No deviations identified, but the legal framework in China makes meeting the goal difficult.
Goals in reporting year :	- Increase internal knowledge of union rights - All the group's products from risk areas will be provided by audited (social and environmental) suppliers and factories no later than 31 December 2030.

# Completed measures and reasoning:

- 1) Reviewed and signed Code of Conduct for Suppliers, which sets clear requirements and expectations.
- 2) Factory audits to ensure compliance with ethical requirements and expectations.

- Annual increase in the proportion of certified products
- All group products sourced from risk areas will come from audited (social and environmental) suppliers by 31 December 2030

Salient issue	Pay below official minimum wages
Goal:	Nobody will be paid less than the official minimum.
Status :	No deviations identified.
Goals in reporting year :	<ul> <li>- Annual increase in the proportion of certified products</li> <li>- All group products sourced from risk areas will come from audited (social and environmental) suppliers by 31 December 2030</li> </ul>

# Completed measures and reasoning:

- 1) Reviewed and signed Code of Conduct for Suppliers, which sets clear requirements and expectations.
- 2) Factory audits to ensure compliance with ethical requirements and expectations.

- Annual increase in the proportion of certified products
- All group products sourced from risk areas will come from audited (social and environmental) suppliers by 31 December 2030

#### OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

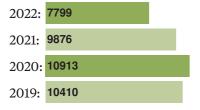
Describe the company's general measures to cease, prevent or mitigate negative impacts, including in the supply chain.

#### 3.B.1 Reduction of nature- and environmental impact

- Europris has set the goal of reaching net zero by 2050. As part of this commitment, work is being done to map GHG emissions throughout the value chain and to set associated targets in line with the SBTi.
- The group has defined which third-party sustainability certifications it wants to concentrate on, continuous efforts are being made to increase the share of products with these certifications, and improvements are being made to its own brands in line with specified KPIs.
- Europris has a goal of increasing the proportion of its procurement costs which derive from Amfori BSCIaudited suppliers and factories. The group intends to include Amfori BEPI audits, and will report on this from 2024.
- Despite establishing six new stores in 2022, Europris has cut location-based GHG emissions by 21 per cent in accordance with the GHG protocol. This reduction reflects energy efficiency measures, lower energy consumption, increased recycling rates and improvements in logistics between the group's warehouse and its stores. The organisation is also working on other energy-saving and renewable solutions, which include reducing waste and facilitating increased waste sorting across the organisation. The aim is to raise the sorted fraction to 85 per cent by 2025.
- Europris has made the Green Dot Norway plastics pledge, committing to work actively to reduce the plastics content in packaging, increase the use of recycled materials and design for recycling. The group has also phased out single-use plastic products such as cutlery, crockery, cotton buds and the like.

## Indicator

## Location-based GHG emissions (tonnes of CO2 equivalent)



### 3.B.2 Reduction of greenhouse gas emissions

Despite establishing six new stores in 2022, Europris has cut location-based GHG emissions by 21 per cent in accordance with the GHG protocol. This reduction reflects greater energy efficiency, lower energy consumption, increased recycling rate and improved logistics between the group's warehouse and its stores.

#### 3.B.3 Adapting own purchasing practices (sourcing)

Europris is aware of the issues associated with conventional procurement practices, including aggressive price negotiations, inaccurate forecasts, late orders, short lead times and last-minute changes. These methods can place the supplier under intense pressure and lead directly to poorer working conditions and low pay for workers. The group regards responsible procurement as one of the most important instruments in work on ethical business practice. Europris will not undermine the supplier's opportunities to deliver on the requirements it sets to ensure good conditions for people, society and the environment. It will strive to achieve stable, long-term relations with suppliers who show particular willingness and ability to work for progress in the supply chain.

#### 3.B.4 Choice of products and certifications

Choices made by Europris in connection with purchased products affect people, society and the environment. Raw materials, design for recycling, recyclable packaging, labour and human rights, and environmental certification are important elements in the process of developing sustainable products. Europris has therefore defined which third-party sustainability certifications it will concentrate on, mapped sustainable products in its own range, and developed its own brands with an emphasis on renewable raw materials and recyclable packaging. Vie Eco candles and serviettes, Effekt spray cleaners and Energy+ batteries, all with the Nordic Swan Ecolabel, are good examples of the group's own brands with a focus precisely on these aspects. Eliminating products can also be a choice in a sustainable direction. For exactly that reason, Europris has ceased to sell items such as single-use barbecues and herbicide sprays containing the controversial chemical glyphosate.

The group wants it to be as simple as possible for customers to make good choices, and is working actively to highlight the certified product options in its stores.

## Indicator

## Percentage of purchased products associated with risk that have sustainability certification



3.B.5 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation

Free trade unions and the right to organise, empower workers to raise common challenges and concerns with their employer and to discuss these.

Europris supports the freedom to unionise and collective bargaining. In China and other countries where this is illegal, the group actively supports other forms of labour representation.

#### 3.B.6 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

Development, competence-building and training of group employees, suppliers and the workers in the supply chain are needed in order to meet standards set for due diligence.

Europris contributes to this through courses, internal meetings, dialogue, supplier meetings and audits. At the same time, however, it sees the need to maintain such work on the basis of its own experience and issues.

#### 3.B.7 Combatting corruption and bribery in own company and supply chain.

Annual meetings and courses to combat corruption and bribery are held for suppliers, the Shanghai procurement office (SHO) and internal personnel responsible for procurement.

#### 3.B.8 Other relevant information concerning the company's work to reduce, prevent, and manage negative impact on people, society and environment

A specific example of efforts to reduce the risk of negative effects on people, society and the environment is that Europris has secured the certification of its battery supplier in China and can now offer Energy+ batteries with the Nordic Swan Ecolabel.

This certification checks and sets requirements in areas such as:

- Threshold values for the use of heavy metals
- A ban on using PVC in batteries and packaging
- A policy on corporate social responsibility (CSR) to ensure responsible use of raw materials which are in short supply as well as ensuring procurement of conflict-free minerals
- Testing of battery durability, shelf life, safety and quality.

Generally speaking, Europris finds that suppliers are positive to making improvements in order to reduce negative impacts on people, society and the environment.



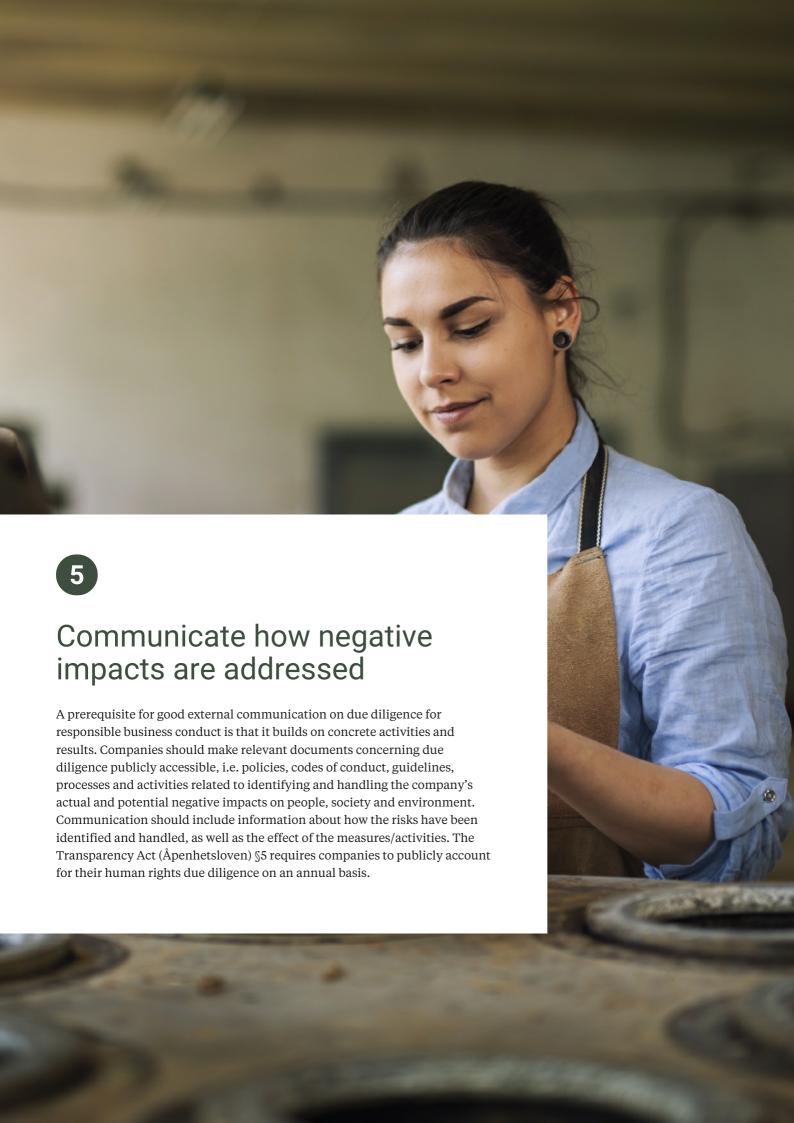
#### 4.A. Track and assess

#### 4.A.1 Describe the assignment of responsibility for tracking the effect of measures implemented to cease/prevent/mitigate salient risks of negative impact on people, society and the environment, as well as how the tracking is done in practice

The Strategy and Sustainability Department is responsible for tracking the effect of measures implemented. Executive responsibility rests with the Quality Manager and the Shanghai procurement office (SHO). A quarterly report to management is intended to ensure compliance and leads to an annual statement on ethical trade for publication on a dedicated website.

#### 4.A.2 Describe how the company ensures that measures taken to identify, prevent and reduce negative impact actually work

Europris determines the likelihood that measures are functioning through system audits, factory visits and investigations locally as well as via its membership of Amfori BSCI with the commitments that this involves. Established by the Foreign Trade Initiative (FTA), the BSCI brings together more than 1500 dealers, importers, brands and national associations to improve the political and legal framework for trading in a sustainable manner. Membership gives access to a common work platform, where members collaborate on measures to identify, prevent and reduce negative impacts.



## 5.A External communication

#### 5.A.1 Describe how the company communicates with affected stakeholders about managing negative impact

Europris communicates with affected stakeholders about managing negative impacts or harm either directly with relevant employees at the undertaking concerned or via the Shanghai procurement office (SHO) when linguistic or cultural barriers are present. The SHO is well placed in relation to the suppliers and is in a position to communicate Europris' guidelines and requirements directly to manufacturers in meetings and through a presence in the factories. This helps to ensure good understanding and compliance.

Possible deviations are followed up with factory audits to ensure that the negative impact does not recur.

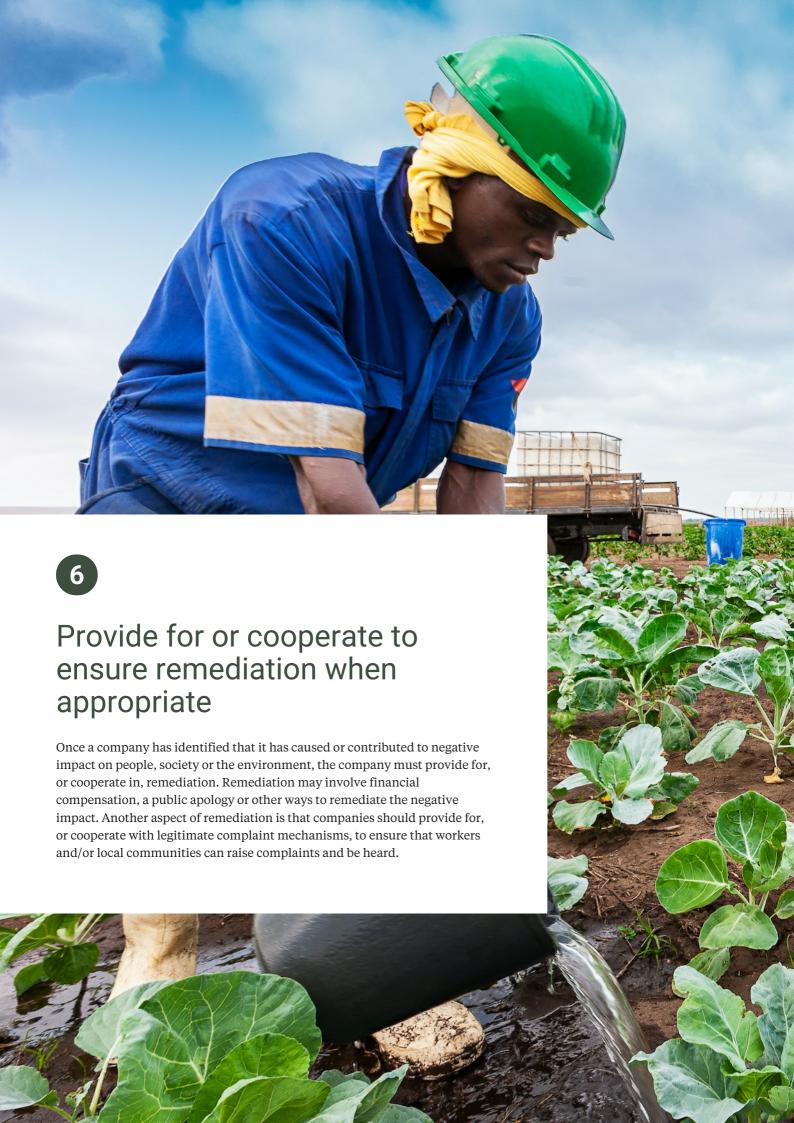
### 5.A.2 Describe how the company publicly communicates its own work on identifying and managing negative impact/harm

Europris communicates its own work on identifying negative impacts/harm through an annual sustainability report on a dedicated website and this report.

#### 5.A.3 Describe the company's routines for maintaining and answering external inquiries related to the information requirement imposed by the Transparency Act

Anyone can contact Europris and request information about how actual and possible negative impacts related to its goods and services are handled.

A request for information can be submitted to a store or directly to head office. All such requests are forwarded via the group's customer service function to the Quality and Product Safety Department. They are responded to as quickly as possible, and within no more than three weeks.



## 6.A Remediation

#### 6.A.1 Describe the company's policy for remediation of negative impacts on people, society and the environment

Europris expects its suppliers to work purposefully and systematically on complying with the group's code of conduct, which covers fundamental requirements on human and labour rights, anti-corruption, animal welfare and the environment. Suppliers must do the following:

- Comply with Europris' Code of Conduct.
- Work actively on due diligence and carry out their own risk identification in order to avoid negative impacts on people, society and the environment. Where the supplier is responsible for the negative impact, it is also responsible for remediation.
- Show the willingness and ability to pursue continuous improvement for people, society and the environment through collaboration.
- At Europris' request, be able to document how it and possible sub-suppliers work to comply with the code.

Contracts may be cancelled if the supplier fails to display the willingness and ability to comply with the Europris ' Code of Conduct.

#### 6.A.2 If relevant, describe cases of remediation in the reporting year

No remediation cases occurred during the reporting year.

This conclusion builds on a good screening process, where risk and audit results are assessed in connection with choosing suppliers. Several options are often available when making such choices. Experience shows that devoting attention to making the right choice of partner, who satisfies Europris' requirements, greatly reduces the risk of negative consequences and the need for remediation at a later stage in the collaboration.

# 6.B. Ensure access to grievance mechanisms

### 6.B.1 Describe what the company does to ensure that workers and local communities have access to effective grievance mechanisms when this is needed

Europris ensures that affected workers and communities have access to effective mechanisms for expressing grievances and for securing remediation through:

- entering into written collaboration agreements which include ethical guidelines
- requiring that the supplier has a valid Amfori BSCI certification, which is intended to ensure that worker rights and safety are taken care of
- surveillance through regular factory audits by both third parties and the group's own Shanghai procurement office (SHO).

# Contact details:

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