## **POLARN O. PYRET**

## **Environmental & Climate Policy**

The clothing industry belongs to one of the most polluting in the world and relies on access of natural resources, healthy ecosystems, and biodiversity. Polarn O. Pyret shall contribute to sustainable development and support a transition to a circular business model for the children's wear industry. We are committed to reach our goal to reduce our emissions in line with the 1,5-degree warming pathway and work according to the United Nations Sustainable Development Goals. To reach our target, active and long-term environmental efforts are required, and we expect our producers to do the same.

The environmental efforts and climate actions must permeate our entire business. Compliance with the law and in accordance with international standards and framework is our minimum achievement. Our ambition is to go beyond this level and focusing on constant improvements. Successful environmental work is driven by participation and responsibility throughout the organization and supply chain. Each department must stay up-to-date on what is developing within their field of operation.

Strategies are developed with knowledge and based on best available and most up-to-date scientific evidence from our operations, our organisation, and our surrounding environment. Our aim is to increase the transparency within our supply chain and follow up on resources, environmental, water and emission related data. Transparent and clear information is provided towards all our stakeholders.

## How we act

**Products** - We work actively to reduce overconsumption by sharp forecasts, design that lasts and extending the life span of each product with high quality and innovating solutions. We encourage new technology and replace materials with better alternatives and design to optimize raw materials usage.

Circular economy innovation is an important part of our business, we are committed to scale up this part of our offer. We work actively to reduce waste, recycle waste, and minimize waste going to landfill, both from production and our own facilities. All hazardous waste must be handled by an authorized company.

**Environment** - A healthy ecosystem is crucial for us as a business to provide us with natural resources, for all people in our supply chain, for the people and communities where we manufacture our products and for future generations. We must protect the ecosystem by using resources in a responsible way.

Water - The manufacturing of our garments has a significant impact on water resources and water scarcity. We need to reduce the water we use, use water conscientiously and use water efficient equipment. Wet processes suppliers are expected to apply a systematic approach to minimize the negative impact on water from its operations.

Chemical use - The choice of chemical substance is important and our aim is that our complete assortment is produced with better available chemicals and alternative processes. The pre-cautionary principle is applied in our production, and we are working with a comprehensive list of chemical restrictions, RSL. We promote innovation and turn to natural alternatives to reduce the impact of the environment.

Climate impact –We shall reduce our impact through direct and indirect emissions and reduce greenhouse gases and other air emissions hazard to the environment. The key improvement will be the transition from fossil fuel to renewable energy and choose energy efficient solutions.

**Transport and travelling** - We have a zero tolerance for air transportation for all deliveries from supplier to warehouse to reduce our emissions from transportation. The key improvement will be to minimize air frights and to prioritise biofuel for both inbound and outbound shipments. We travel only when necessary and the environmental impact should be considered in connection with each business trip. Whenever possible rail travel should be chosen.