

Slavery and human trafficking statement 2022

Amer Sports (www.amersports.com) is a global group of sports and outdoor brands including Arc'teryx, Salomon, Wilson, Peak Performance, Atomic, Armada, ENVE, ATEC, DeMarini, EvoShield, Louisville Slugger, and Luxilon. Our apparel and footwear, as well as our technically advanced sports equipment, inspire consumers in their efforts to live healthier and more sustainably.

We are a privately held company fueled by the growth mindset, expertise, and experience of our engaged owners; an international investment consortium consisting of ANTA Sports Products Limited, Fountainvest Partners, Anamered Investments Inc. (Chip Wilson), and Tencent Holdings Limited.

Our broad portfolio covers sports equipment, apparel, footwear, and accessories for a wide range of sports: running, hiking, cycling, tennis, badminton, padel, golf, American football, soccer, baseball, basketball, alpine skiing, snowboarding, and cross-country skiing.

Amer Sports expresses zero tolerance approach to any form of modern slavery. Amer Sports is committed to acting ethically and with integrity and transparency in all business dealings and implementing effective systems and controls to safeguard against any form of modern slavery taking place within our business or supply chains.

Our business

Our Strategy 2025 builds on our heritage and on the choices we have made. Our three focus areas are:

Winning brands: Our brands are our stars, constantly enhancing the consumer experience and creating thriving communities.

Consumer first: Guided by our consumer-first mindset and direct-to-consumer (DTC) acceleration, our brands meet their communities exactly where they are, in both digital and physical spaces.

Sustainable results: We want to be a positive force in our industry and build a sustainability culture that will enable us to go further.

Amer Sports' strategy focuses on the strategic priority areas which are softgoods, self-owned retail brand stores, e-commerce, and China business. The strategy emphasizes excellence in consumer-centric product creation and enhancement of the consumer experience.

With products sold in 101 countries, we have a presence in all major markets. Our products are delivered to consumers through brand stores, e-commerce platforms, and factory outlets, as well as through trade customers in sporting goods chains, specialty retailers, and mass merchants. To fulfill each customer order on time and in full, we leverage a global alliance of suppliers, own manufacturing facilities, distribution centers, and transportation networks.

Amer Sports' global operations encompass business functions from product development to product sourcing, manufacturing, and outbound logistics. From end to end, our global supply chain ensures the on-time delivery of the right products in a global, multi-channel setup.

We manage and adapt our distribution and transportation landscape, support the development of our vendor network, and continuously optimize our supply chain processes to support the growth of our brands and the entire group.

We manufacture about one-fifth of our products in our own facilities, which are mostly located in Europe and North America. Our most important own production facilities are in Austria, Bulgaria, Romania, Canada, and the United States. In addition, we have hybrid factories in Eastern Europe where the ownership is shared with local partners.

Shaping a sustainable supply chain

More than a decade ago, we implemented a third-party audit program to monitor and support suppliers in meeting our standards. We commission third-party audits to help sourcing partners comply with industry standards, regulations, and our own expectations regarding health and safety, as well as environmental and social responsibility.

In Asia, Europe, and the Middle East and Africa (EMEA), the number of audits conducted by the end of 2022 represented 97% of total purchases (2021: 96%).

The Amer Sports Supply Chain organization with its Vendor Sustainability team in Global Sourcing is responsible for monitoring and improving labor practices and ensuring they meet the requirements set out in the Amer Sports Ethical Policy. The Amer Sports Supply Chain organization is also responsible for ensuring alignment with our company's commitment to human rights, in the spirit of internationally recognized social and ethical standards, including International Labor Organization (ILO) Standards and the United Nations' Universal Declaration on Human Rights. This holds true especially for women, children, and migrant employees. We share this commitment within our entire supply chain to treat employees with respect and dignity, from proprietary operations to supplier employees.

We monitor and improve the social, environmental, and material compliance of our global suppliers. The work includes vendor qualification and product industrialization, contract management, price negotiations, procurement processes, optimization, and export administration. Amer Sports publishes a list of its finished goods suppliers on the Amer Sports' website and updates this list regularly. The complete list can be read at <https://www.amersports.com/sustainability/ethics-and-compliance/supply-chain-transparency/>

Key elements of the Amer Sports audit program

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

- The Amer Sports Vendor Sustainability team provides training on social and labor standards defined in the Amer Sports Ethical Policy and audit procedures. Training is conducted during the onboarding process and on a regular basis when any policies or procedures are revised.
- New suppliers are audited to ensure that minimum requirements are met, and corrective actions are implemented before sample or bulk orders can be placed. Existing suppliers are subject to regular third-party audits to ensure the suppliers' compliance with labor regulations, industry standards, and health and safety practices in workplaces.
- If improvement opportunities or needs are identified in an audit or via other means, factories conduct a root cause analysis and develop a corrective action plan to address the findings. The audit findings are categorized into different risk levels, indicating the priorities of the corrective actions to be taken. Re-audits are required to verify the improvements, depending on the severity of the improvement opportunities or needs.
- In the case of systemic issues, we collaborate with stakeholders – including industry peers – in developing joint capacity building programs to support vendors for systematic remediation and continuous improvement. The joint capacity building projects we have conducted in recent years include independent workers' surveys, root causes analyses, and social compliance management system improvements.
- Amer Sports employs a social labor scoring and grading system to track the performance of suppliers. The scores are part of both strategic vendor development plans and regular monthly performance review cycles.

To strengthen its commitment and further improve its monitoring programs, as well as its suppliers' performance, Amer Sports cooperates with several organizations. Amer Sports has been a member of the internationally recognized Fair Labor Association (FLA) as a Participating Company since June 2020. Through FLA membership, Amer Sports has access to support from the FLA to improve its social labor program. Amer Sports also cooperates with workers organizations in case of any grievances.

Grievance process

We have implemented a grievance-handling procedure to manage grievances from external third-parties or individual workers regarding working conditions. Complaints are analyzed to inform capacity building training opportunities for suppliers.

Our technically advanced products are produced by reputable manufacturing partners which are strong in both technical background/equipment and financial position. Our suppliers are managed under a single global operations function, which includes integrated and shared platforms of manufacturing, supply chain and sourcing practices.

Our policies

Our policies and policy commitments play a crucial role in steering Amer Sport group's conduct towards more sustainable practices. These policies provide guidelines and frameworks that we follow to minimize our negative impact on the environment and society, and target to maximize our positive contribution.

The Amer Sports' sustainable development strategy encompasses a range of policies and practices that promote responsible business conduct, and the following Amer Sports Group-wide policies prohibit slavery and human trafficking:

- Code of Conduct
- Ethical Policy – Supply Chain Code of Conduct
- Social and Environmental Compliance Benchmarks

Available at: <https://www.amersports.com/sustainability/ethics-and-compliance/>

In these policies Amer Sports has committed to preventing any form of forced labor. Amer Sports policies require that the employment of persons must be voluntary, and it is prohibited to use any forced or involuntary labor, whether prison, bonded, indentured, or otherwise.

Code of Conduct

The Amer Sports Code of Conduct, which is the master policy for all our policies, defines the major principles of the company's business conduct, and outlines and sets the key ethical principles for Amer Sports Group and its own employees. The Code of Conduct focuses on the promises to consumers, shareholders and business partners and refers to International Labour Organization (ILO) standards and the United Nations' Universal Declaration on Human Rights.

The Code of Conduct describes Amer Sports' commitments and expectations towards all its business partners. Aspects of the Code of Conduct include, for example: the environment, human and labor rights, safety at work, preventing harassment, equal opportunities and diversity, compliance with laws and competition compliance, fraud, bribery and corruption, anti-money laundering, conflicts of interest, export control, data privacy and confidentiality. The Amer Sports Code of Conduct is available in 16 languages.

Ethical Policy

The Amer Sports Ethical Policy – Supply Chain Code of Conduct, together with the vendor and social compliance monitoring program, sets out the core values of the sourcing operations. We expect our whole value chain to operate according to the principles laid out in our Ethical Policy, which is attached into the supplier agreement and signed by suppliers, confirming their compliance with the policy.

The Ethical Policy, being an integral part of Amer Sports' responsible operations strategy, is based on our commitment to human rights in the spirit of internationally recognized social and ethical standards, including International Labour Organization (ILO) Standards, and the United Nations' Universal Declaration on Human Rights. This holds true especially for women, children, and migrant workers.

The ethical standards contained in the policy are also used as one of the aspects in selecting and retaining suppliers. The Ethical Policy requires suppliers to further monitor the ethical performance of their suppliers and contractors and be prepared to take immediate and thorough steps in cases of questionable ethical performance.

Social and Environmental Compliance Benchmarks

Social and Environmental Compliance Benchmarks provide detailed information on how employers comply with the Amer Sports' Ethical Policy, and all applicable national and international laws, rules, regulations and industry best practices. This program applies to Amer Sports internal manufacturing facilities alike.

Risk management in relation to slavery and human trafficking

Most of the Amer Sports' products are outsourced from suppliers around the world, with a significant portion from Asia. Approximately one-third of Amer Sports' production value is generated in China, while almost half is generated elsewhere in the Asia-Pacific, and the remainder in Europe and the Americas.

We purchase raw materials such as steel, rubber, and fossil-based raw materials and components from several sources. These raw materials are used to manufacture plastic components for bindings and ski boots, carbon fibers for rackets, and the metal parts used in binding components and ski edges.

Amer Sports' global supply chain is a complex network with proprietary operations, supplier partners, and employees in different countries who all work diligently on our products. This creates job opportunities for workers, but also human rights risks that we have to proactively manage and mitigate. Operational processes ranging from product design, sourcing, capacity planning, purchase order creation, costing, production, quality management, and distributions can all create adverse impacts on working conditions.

To identify the salient country risks, we partner with third-party service providers to set up risk assessment metrics in different countries, regions, and industries. The risk assessment metrics include human rights aspects (e.g., child labor, forced labor, non-discrimination, wages and hours, freedom of association, health and safety), environmental aspects (e.g., air quality, carbon intensity, waste water) and political governance (e.g., corruption, rule of law, transparency). The risk metrics are updated at least annually and taken into account to inform sourcing decisions and to help us prioritize due diligence obligations and activities.

Amer Sports is committed to socially responsible sourcing practices. Amer Sports shares with its suppliers the commitment to treating employees with respect and dignity by adhering to local labor laws and regulations relevant to the business.

Amer Sports has a third-party audit program to monitor the fulfillment of our suppliers against the requirements of the Ethical Policy. This program ensures that manufacturing facilities do not apply modern slavery practices and human trafficking, employees (including migrant employees) are properly compensated and treated, and work is performed in a safe working environment without exposure to health hazards. Amer Sports collaborates with the suppliers for continuous improvements of the program. Amer Sports provides details about the key efforts in the supply chain compliance program in its Sustainability Report, which can be found at <https://www.amersports.com/sustainability/reports/>.

Amer Sports Ethical Policy forms part of our contract with all suppliers who confirm that no part of their business operations contradicts the requirements of the policy. Modern slavery and human trafficking form the key focus areas. Whenever performance gaps are identified in an audit, Amer Sports works with the suppliers to remediate the issue for the best interest of the workers. Amer Sports holds the right to terminate the business relationship with a supplier if there is a violation to this or any other critical issue.

Effectiveness in ensuring that slavery and human trafficking is not taking place

The Amer Sports Vendor Sustainability team regularly monitors public sources and internal reporting channels for any reports related to modern slavery practices in our business and supply chain. Social and labor audit scores and number of critical issues (related to forced labor but also others) are part of the suppliers' scorecard to be reviewed every month under the Amer Sports global sourcing function. Amer Sports provides information about the progress of the audits and related key findings in the supply chain compliance program on its sustainability report which can be found at <https://www.amersports.com/sustainability/reports/>

Training

Amer Sports provides training to its own employees on the essentials of the Code of Conduct. Every Amer Sports employee is responsible for their own behavior, acting with integrity, and observing the highest standards of business ethics. All Amer Sports employees are required to take part in mandatory Code of Conduct training. The Code of Conduct is available in 16 languages and the Code of Conduct e-learning program in 15 languages.

The Amer Sports Code of Conduct e-learning program is continuously available to Amer Sports employees who have a company email address. Classroom-style Code of Conduct trainings were arranged at all Amer Sports' own manufacturing sites and distribution centers in 2022. Each Amer Sports employee must attend the Code of Conduct training (either as e-learning or classroom training) every two years.

The Amer Sports Vendor Sustainability team managing the supply chain audit program is trained on international social standards (e.g., SA8000). The team also provides orientation trainings to procurement/buying teams on social and labor requirements including modern slavery/human trafficking topics. In addition, Amer Sports Vendor Sustainability team hosts trainings every year.

In the end of 2022, Amer Sports launched group-wide Ethical Policy training to increase awareness of key principles of the Ethical Policy and help people recognizing elements connected to human rights and modern slavery. The Ethical Policy training is expected to be completed during 2023.

Amer Sports will continue to review and update the policies and procedures periodically and when required to ensure employees in the Amer Sports and its supply chain are protected from mistreatment including forced labor and human trafficking.

External feedback channel

Amer Sports provides direct feedback channels for supplier employees. If there is a violation of any standards of the Ethical Policy, employees are encouraged to bring issues to Amer Sports' attention by emailing to vsl@amersports.com in English or their native language. Amer Sports will keep all information strictly confidential. Employees shall be free from retaliation because of issues raised.

Amer Sports has a whistleblowing channel, which is a confidential and anonymous reporting line operated by an external partner WhistleB, and available to external stakeholders at www.amersports.com/reporting-a-violation/

Awareness of the whistleblowing channel was increased among Amer Sports employees as a result of the Code of Conduct and Ethical Policy trainings in 2022.

Important events in 2022

Amer Sports will further develop the sustainability strategy work by conducting a double materiality assessment, to complement and add greater detail to the materiality work conducted in 2022. Double materiality recognizes impact materiality and financial materiality.

To understand our positive and negative impacts in more detail, Amer Sports will conduct a human rights impact assessment (HRIA). The assessment will enable us to establish baseline requirements for managing human rights across the whole group and all our brands and value chain, and identify existing good practices to improve performance across the group, advance our sustainability work, and improve our reporting.

Declaration and approval of this statement

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015 and sets out the measures that Amer Sports Corporation and its affiliates (“Amer Sports”) have taken during the 2022 financial year.

This statement was approved by the Board of Amer Sports Corporation on May 12, 2023.

Michael Sørensen

Chief Operating Officer
Member of the Executive Committee and Sustainability Committee