



SUUNTO SUSTAINABILITY REPORT 2022



CONTENTS



| | |
|---|-----------|
| 1. Summary | 3 |
| 1.1 Suunto in brief | 5 |
| 1.2 Sustainability highlights 2022 | 7 |
| 1.3 Suunto community and ambassadors | 8 |
| 2. Suunto sustainability system and management | 9 |
| 2.1 Sustainability strategy and targets | 12 |
| 2.2 Risk management | 12 |
| 3. Suunto value chain and risks | 13 |
| 4. Environmental sustainability | 17 |
| 4.1 Certifications and compliance | 18 |
| 4.1.1 Substance compliance | 18 |
| 4.1.2 Conflict minerals | 19 |
| 4.2 Emissions | 20 |
| 4.3 Waste | 24 |
| 4.4 Energy | 26 |
| 4.5 Circularity and repairability | 26 |
| 4.6 Life Cycle Analysis (LCA) | 27 |
| 5. Social sustainability | 29 |
| 5.1 Human resources | 30 |
| 5.2 Health and safety | 31 |
| 5.3 Diversity, equity and inclusion | 31 |
| 5.4 Supply chain due diligence | 32 |
| 6. Governance | 33 |
| 7. Challenges and areas of improvement | 35 |



1 SUMMARY

1. SUMMARY

This is Suunto's second annual sustainability report. The objective of the report is to provide transparency on our sustainability actions in a comprehensive but summarized manner. 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.

Our aim is to both widen the coverage of our sustainability work to new areas relevant for a company manufacturing consumer electronics, but also to better integrate sustainability into the different functions within our company.

This report covers the year 2022, in which the company experienced big organizational changes that also required the renewal of the sustainability management system. At the same time, the regulatory environment for environmental and sustainability issues is changing rapidly and re-

lated topics were present in the public discussion more than ever.

During the year sustainability got more visibility and importance internally in the company and was acknowledged as one of the essential areas of work by the company leadership. Suunto's new Sustainability strategy was approved, many projects in different areas were initiated and Suunto joined global networks on environmental and social sustainability. For the first time, in 2022 Suunto was also able to link sustainability actions to its new product launches, gaining a lot of publicity and positive attention from the media, product testers and users around the world.

First, this report introduces Suunto as a company and the sustainability highlights of 2022. Then it presents the framework (system) for managing the sustainability strategy and activities, assessment of risks and value chains. Then the environmental performance is presented in detail 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 learnings 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 adventurers and outdoor sports athletes – people who enjoy 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 has been owned by, and functions as an independent unit of leading Chinese technology company Liesheng.

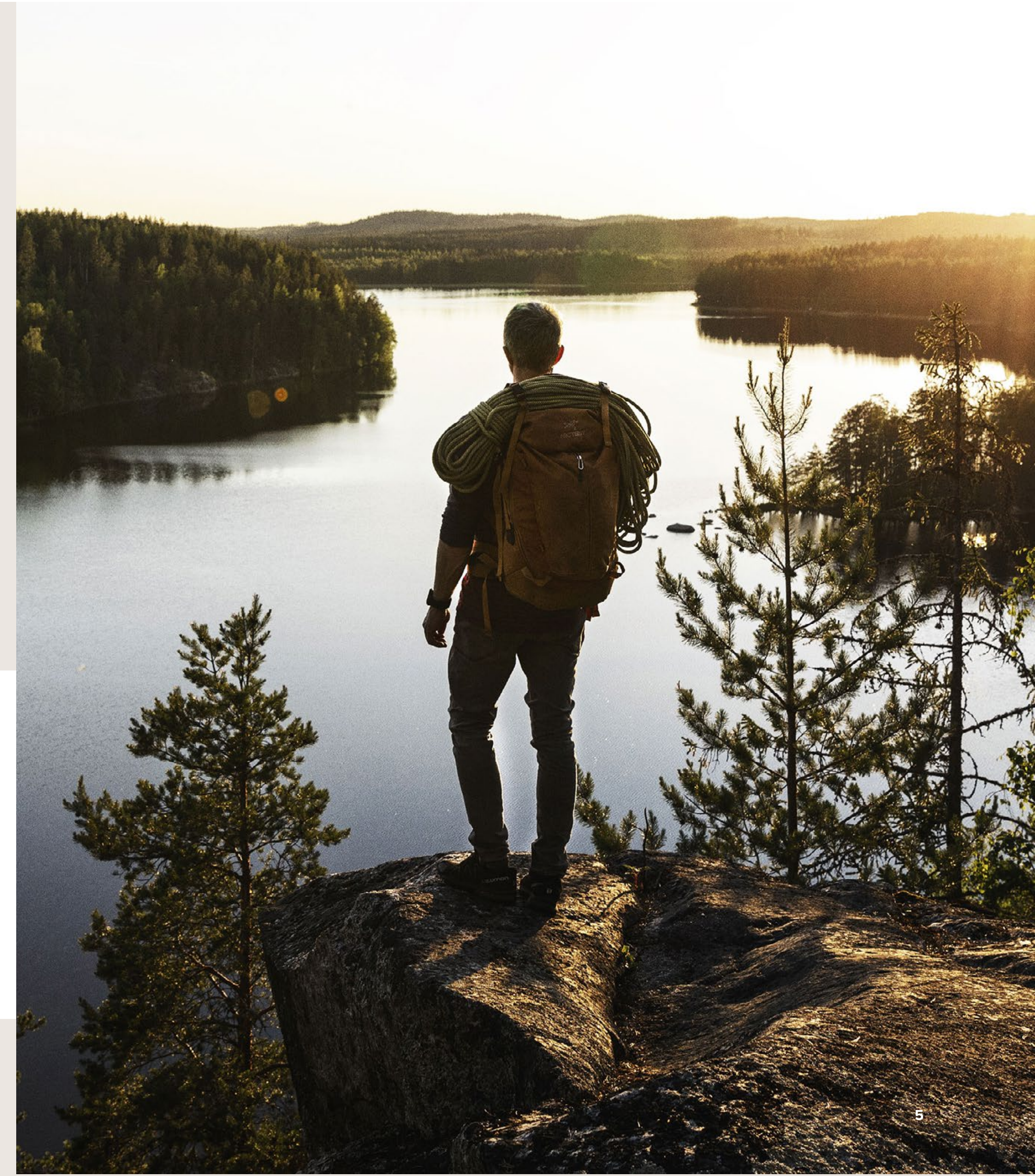
We are committed and focused on developing high-end products, inspiring adventurous lifestyles and on protecting our playground. We work closely with outdoor sports enthusiasts around the world to create long-lasting products and useful services that encourage people to discover the nature around us 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. The remaining <10% of the products were manufactured in China by a long-term contracted factory. Most of Suunto’s 300+ employees are based in Finland; in addition to this, we employ regional sales and marketing teams on most continents.

TODAY WE ARE...

- **86 years old company (2022)**
- **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 2022

CLIMATE & EMISSIONS

- We conducted first-ever cradle to grave life cycle assessments (LCAs, carbon footprint calculation) for 4 watch models.
- We offset the lifetime emissions of all sold watches that have the LCA result. In 2022, we offset 286.3 tCO₂e with Verified Carbon Units through a reforestation project in Southeast Africa. We continue to offset the emissions of these and new products in 2023.
- The Finland HQ and factory use 100% renewable energy, our own operations having zero emissions in 2021-2022. In 2022 also our office in Tampere, Finland, started using renewable (wind) energy. We also organized an energy-saving campaign in the HQ.
- We offset the emissions of Suunto business travel in 2022, a total of 48 tCO₂e, with Verified Carbon Units in a REDD+ biodiversity project in Borneo, Indonesia.

WASTE AND MATERIALS

- Suunto compasses had a new package designed, saving 7 tons of single-use plastic waste annually and replacing 90% of the plastics used in packaging with FSC certified carton.
- We researched bio-based plastics and added Öko Tex-certified material and recycled polyester into our watch straps.
- To avoid conflict minerals, Suunto dropped gold-plating in a component.
- We improved the cardboard collection and recycling in the HQ.
- A master's thesis on circular economy transition was made for Suunto.
- Projects on take-back, scrap reduction and product lifetime were initiated.
- Suunto products are long-lasting and repairable. Whenever possible, we refurbish returned products for a second life – in 2022 re-circulating 88% of products returned to Finland.

MEDIA AND INITIATIVES

- Calculating and offsetting (compensating) the product carbon footprints was received positively by Suunto users and media, e.g. Trail Runner, Challenges, Bike Rumor, Tekijä.
- To help Suunto users to reduce their carbon emissions, we created a commuting feature calculating the CO₂e emissions saved when using human-powered means instead of a car.
- On Earth Day in April we organized a community activation with Hammerhead and Komoot and planted a tree for each piece of user generated content shared (in total 2,500 trees, offsetting 125 tCO₂e by Verified Carbon Units)
- Suunto Commuting Day in September got Suunto community to track 380,000 kilometers of human-powered commutes in one day – almost the distance from the Earth to the Moon.
- Suunto signed European outdoor industry's open letter to European policy makers ahead of COP27 demanding better climate policy for businesses.

COMPLIANCE & CERTIFICATIONS

- Suunto leadership approved the new Sustainability strategy and Suunto renewed all policies and supplier requirements related to environment, substance compliance and labour conduct.
- Europe-wide Extended Producer Responsibility (EPR) assessment was commissioned on electronic waste, batteries, and packaging waste.
- Suunto renewed its ISO 9001 and 14001 certifications in an external audit.
- Suunto became a member of the global Responsible Minerals Initiative (RMI).

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, creating a larger positive effect through our user community and ambassadors.

Living a more sustainable life starts with small, everyday choices. And, when done often enough and by enough people, these small changes will add up and start to have an impact. To support this, we added the ability to track human-powered commutes in the Suunto app in 2022.

To promote the functionality and to motivate people to ride and run to work – and to slash their CO₂ emissions (CO₂e) – we invited our community to join the first-ever Suunto Commuting Day on September 22, 2022. The response was great: the community tracked nearly 380,000 kilometers of human-powered commutes with their Suunto watches and Hammerhead bike computers. That’s just about the same distance as going from Earth to the moon! In total, the CO₂e savings were over 65,000 kilograms (Source: UK Government, GHG Conversion factors 2021).

In April 2022, we celebrated Earth Day together with Komoot, Hammerhead and our community. The call to action was to share their natural wonders, however they explored. For each share during the campaign period, we planted 2,500 trees with Tree-Nation. Planting trees has been proven to be one of the most efficient solutions to fight climate change. By supporting Tree-Nation’s reforestation and conservation projects we help to restore forests and ecosystems, create jobs, support local communities and protect biodiversity.

We also work together with our ambassadors to raise awareness and inspire the Suunto community both on social, diversity and environmental issues.

Adventuring responsibly is a mix of education and inspiration. Max Kroneck and Jochen Mesle shared Balkan Express, a film about their human-powered adventure riding bikes 2,000 kilometers across the Balkans and skiing in seven different countries along the way. Antti Autti rode an electric car to north of the Arctic Circle to test if it was possible to access the remote mountains of Northern Norway with an electric vehicle. Antti’s experience was shared as part of his Arctic Lines film series.



Not everyone feels welcome, nor safe, in the outdoors. Diverse communities – our queer, LGBT, people of color, and peers with disabilities – often experience limitations that prevent them from getting outdoors. Each of us plays a role in eliminating barriers to outdoor spaces for others; being an ally is what will make outdoor recreation safe and accessible for all people.”

RYAN MONTGOMERY, ULTRA-RUNNER AND DIVERSITY CHAMPION



When I started my running journey, I became aware of the lack of diversity in the running community. I remember scanning through social media, and only seeing one type of runner: thin, blonde, white, and fast. I didn’t see myself, so I decided to create a space for our native women to be seen running and created Native Women Running.”

VERNA VOLKER, THE FOUNDER OF NATIVE WOMEN RUNNING



2 SUUNTO SUSTAINABILITY SYSTEM AND MANAGEMENT

2. SUUNTO SUSTAINABILITY SYSTEM AND MANAGEMENT

The overall responsibility for sustainability and compliance lies with the company CEO and the Leadership Team. Suunto’s sustainability strategy and its implementation is led by Sustainability Manager who also acts as the sustainability advisor for the Suunto Leadership Team. The environmental management system (EMS), sustainability actions and metrics are reviewed with the Leadership Team in quarterly meetings. Sustainability function works closely with other teams in the company from Facility, Quality management, Supply chain and Sourcing to Product development and Design.

Suunto is a member of FIBS (Finland Business and Society, a corporate responsibility network of the Nordic countries, a partner of WBCSD) and RMI, Responsible Minerals Initiative. Identification of a suitable partner for the supply chain social sustainability was also started in 2022. Suunto has had an environmental management system and an ISO 14001 certification since 2013 and we are audited annually by a third party. Suunto also has an ISO 9001 Quality management certificate.

The chart on the next page describes the main components of Suunto’s sustainability management system. A new Sustainability strategy was approved in the autumn 2022. The numerous ongoing and upcoming legal changes –especially in the EU–, also require a lot of preparation. The policies mentioned in the chart on the next page were also renewed in 2022, and form the basis for sustainability requirements for product development, sourcing, and suppliers/partners.



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 | | SUUNTO.COM/ SUSTAINABILITY -SITE | |
| | 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 | | RELATED FUNCTIONS: PRODUCT COMPLIANCE HEALTH & SAFETY QUALITY MANAGEMENT |
| | 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 | | | | | |

2.1 SUSTAINABILITY STRATEGY AND TARGETS

The new strategy is divided in three areas: environmental sustainability, social sustainability and good governance. Under them are thematic areas from climate, materials and circularity to responsible sourcing, to name few. We are drafting new targets and indicators for the strategic period, at the same time learning how much each specific impact area requires in-depth research and assessment to be able to set scientifically appropriate and environmentally ambitious goals.

As the strategic period coincides with the preparation for the EU Corporate Sustainability Reporting Directive, and its materiality analysis and setting up of a data collection and reporting system, we may want to wait till the reporting standards and our own assessments are ready, before finalizing the metrics for the strategy.

Until the numerical targets for each impact area of the new strategy are formed, Suunto is monitoring progress through Key Performance Indicators in the following areas:

- **Company's CO₂e emissions***
- **Scrap creation**
- **Life cycle assessments for products**
- **Refurbishment rate/re-circulation of product returns**
- **Full material declarations (Substance compliance)**

* According to the GHG Protocol Scope 1 and 2, and parts of Scope 3.



2.2 RISK MANAGEMENT

Suunto's risk management process fulfills the 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. Areas assessed include governance, supply chain, business, products, 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.

In 2022, risk management focused especially on the changes in risks brought about by the Liesheng acquisition and change of the company ownership.





3 SUUNTO VALUE CHAIN AND RISKS

3. SUUNTO VALUE CHAIN AND RISKS

The vast majority (over 90% in 2022) of Suunto's products were made (designed, developed, tested and assembled) in Suunto's factory in Finland by our staff. Apart from this, a long-term contracted factory in China made (assembled) one product (<10% of all products) in 2022.

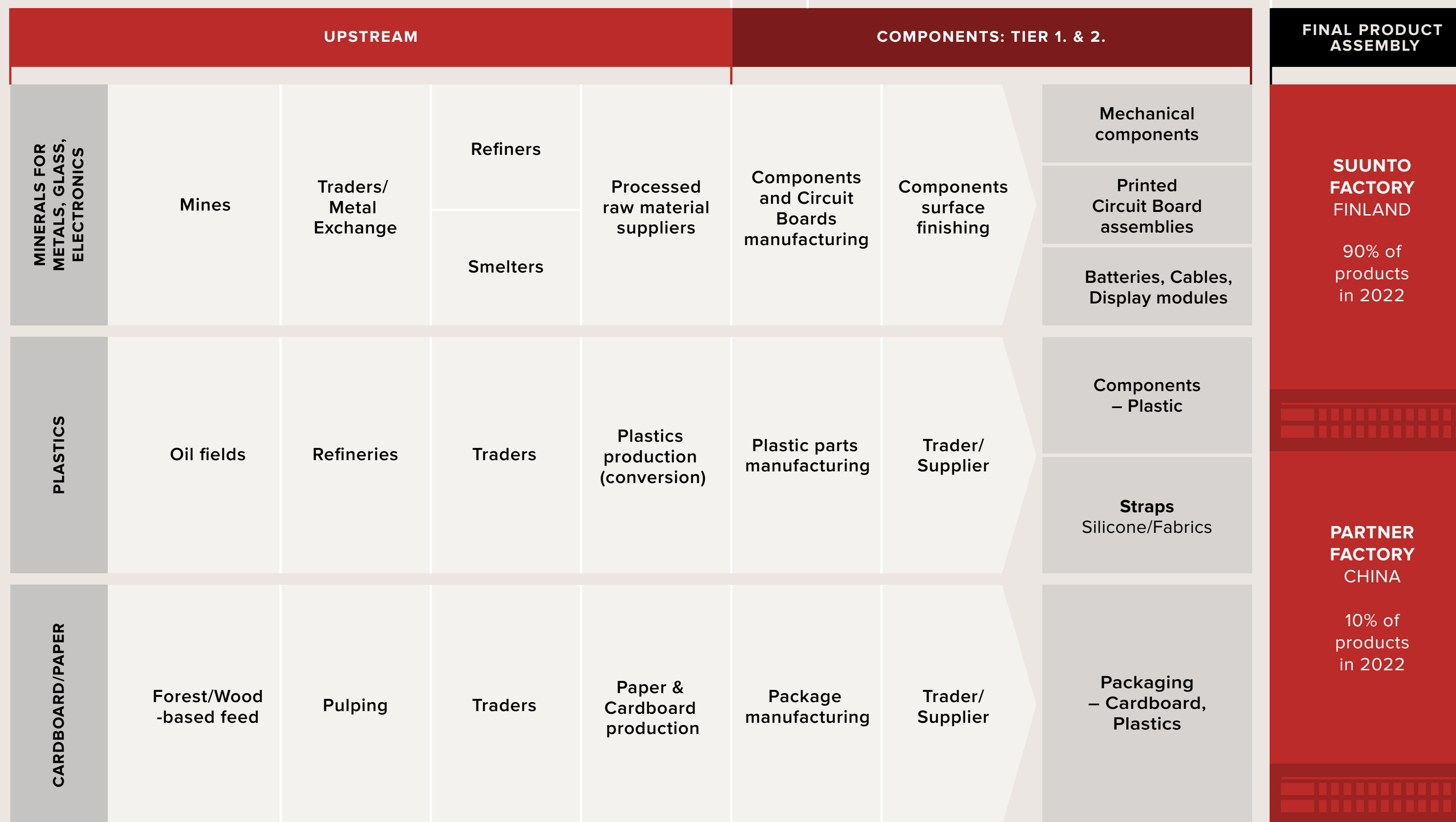
This map describes the different tiers and material flows in our value chain.



OUR VIEW

OUR LEVERARAGE

OUR CONTROL



Although our own production is quite straightforward, we acknowledge the challenges in the electronics sector on the whole. These mainly concern the upstream of value chains; traceability of raw materials and the complexity of the supply chains from minerals to components. These value chain phases have the biggest risks and known defects but at the same time they are areas where we as the end-manufacturer have the least visibility or leverage in. It is important for a company to recognize where it has direct control

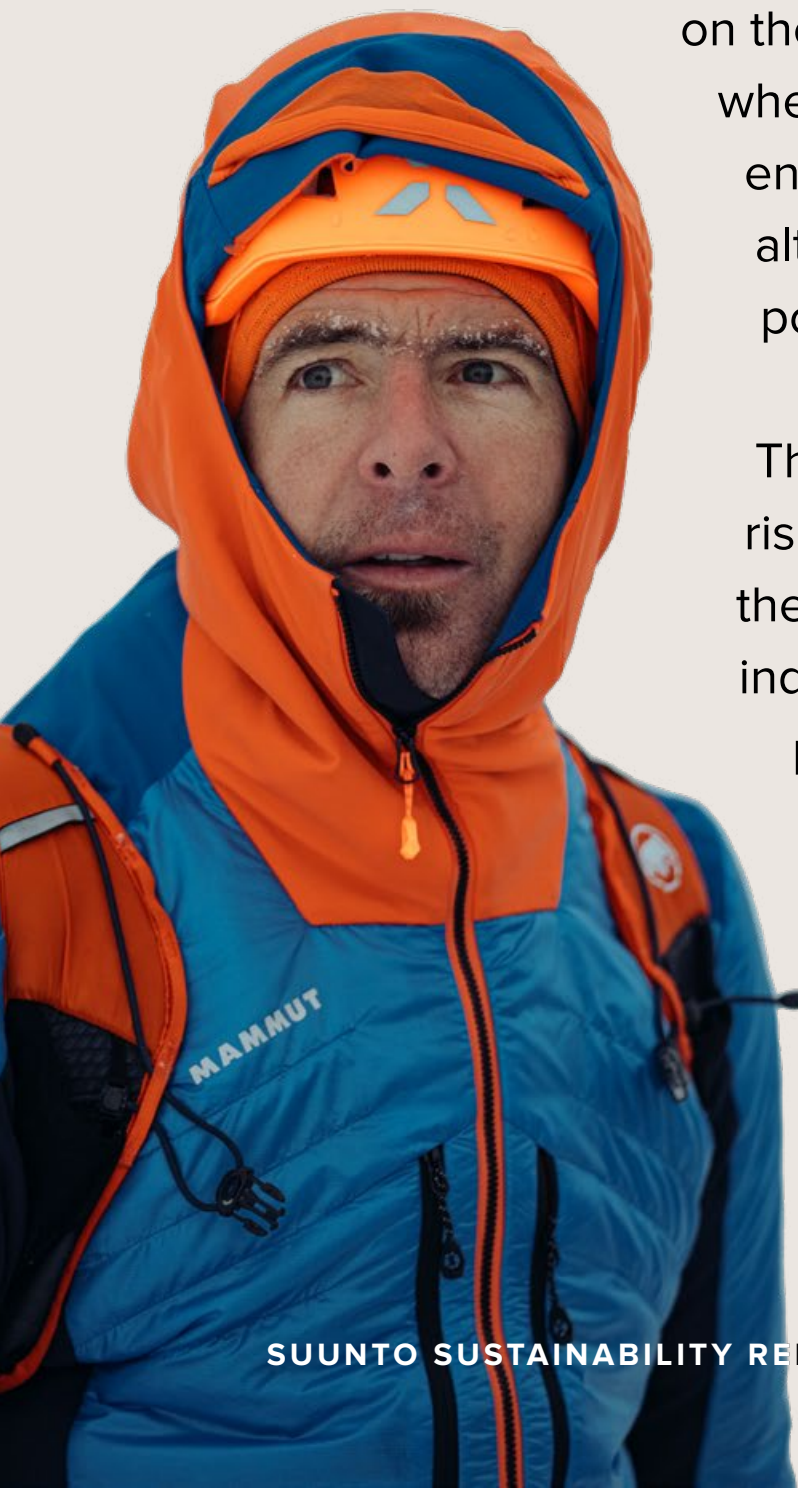
or leverage, be prepared to work on the issues long-term and when lacking direct influencing opportunities, find alternative ways to impact positive change.

The widely recognized risks in the electronics (and the adjacent extractives industry) value chains are presented in the graph

on the next page. They vary from polluting the soil and water to climate emissions and chemicals use, 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 the risk of forced and child labor.

We continuously follow up changes in the operational context and international regulatory environment that may have impact on the supply chains from environmental or human rights due diligence point of view. During the year we were an active member of the Human Rights Working Group of FIBS (Finnish Business and Society). To support building of more responsible minerals supply chains -as a company not trading directly on minerals- we joined the Responsible Minerals Initiative (RMI).

Suunto's actions on social sustainability and more specifically, developing the supply chain due diligence, are discussed in [chapter 5.4](#).



4 ENVIRONMENTAL SUSTAINABILITY

4.1 CERTIFICATIONS AND COMPLIANCE

The amount of sustainability information requested by customers and stakeholders (NGOs, media, wholesalers/retailers, and end-users of our products) is clearly growing. We see it as a positive development that environmental and social sustainability topics are highlighted in different arenas. Simultaneously, the EU and other markets have several directives recently approved or in process increasing the requirements on human rights due diligence, circular economy and managing environmental/climate impacts for businesses.

Alongside with the upcoming EU Corporate Sustainability Reporting Directive (CSRD), Suunto, like numerous other companies will have to widen its carbon emissions reporting scope and collect more data on the whole value chain, and hence preparation for the heavily growing reporting requirements has already started.

In 2022 we became a member of the global Responsible Minerals Initiative, RMI. We also started searching for an appropriate responsible sourcing certification and partner for improving the social sustainability of our supply chain.

We and our logistics partners fulfill the EU and national requirements of the Extended Producer Responsibility (EPR) on packaging, electronic and battery waste by reporting and funding the take-back and recycling systems in all the European countries -our current main market. In the reporting year 2022 we commissioned an Europe-wide EPR assessment covering all 30 countries to align the EPR reporting with our renewed logistics and ownership structures.

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

The product compliance from the sustainability perspective covers the energy use and energy efficiency of products, product lifetime considerations and the service/repairability supporting it, use of chemicals and substance compliance,

and in these areas we have started assessments and projects to research improvement opportunities.

4.1.1 SUBSTANCE COMPLIANCE

Suunto created a new Substance requirements document in 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 do not contain any unwanted substances.

Since 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 products 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 2022, data collection was still ongoing, and we had a FMD (full material declaration) or MCV (maximum concentration values) data for 78.4% of the requested components as in January 2023.



4.1.2 CONFLICT MINERALS

Conflict and rare minerals are an area where the whole extractive and electronics sector, and legislators, have a lot of work to do.

Despite of acknowledging the severe issues in the sector, the complicated value chains of materials and components, our company size and the fact that Suunto does not source minerals directly, diminish our leverage. Some of the components (that may include the risky minerals) come as part of sub-assemblies then used by us as part of our product (the components in sub-assemblies not directly designed or ordered by us). Compared to the huge size of the companies in the sector (both extractives and electronics), as a small player, having an indirect relation to minerals sourcing, we anyhow want to support the work towards more responsible minerals sourcing.

We are requesting conflict mineral declarations from our suppliers and providing them to our customers whenever required, assisting in this middle role the best we can. In the reporting year we also joined the Responsible Minerals Initiative, RMI, to support the global movement towards more transparent minerals supply chains and

keep ourselves updated on the development of the tools and systems to monitor the trade of conflict- and other minerals.

The product life cycle analysis (LCA) and the substance compliance (full material declarations) processes have given us more detailed information of the materials and substances used in the components, but it will require a comprehensive project and building up of a data system to manage the detailed data on the minerals included in hundreds of (extremely small) components and find the possibilities to impact product development with it.



4.2 EMISSIONS

We have been collecting data on our annual emissions, according to the GHG Protocol Corporate Accounting and Reporting Standard, covering Scopes 1 and 2, and parts of Scope 3, since 2009. As from 2022 we started also reporting the emissions of our other office, Tampere, in Finland. However, the emissions of Tampere office play only a marginal part in Suunto's emissions in total.

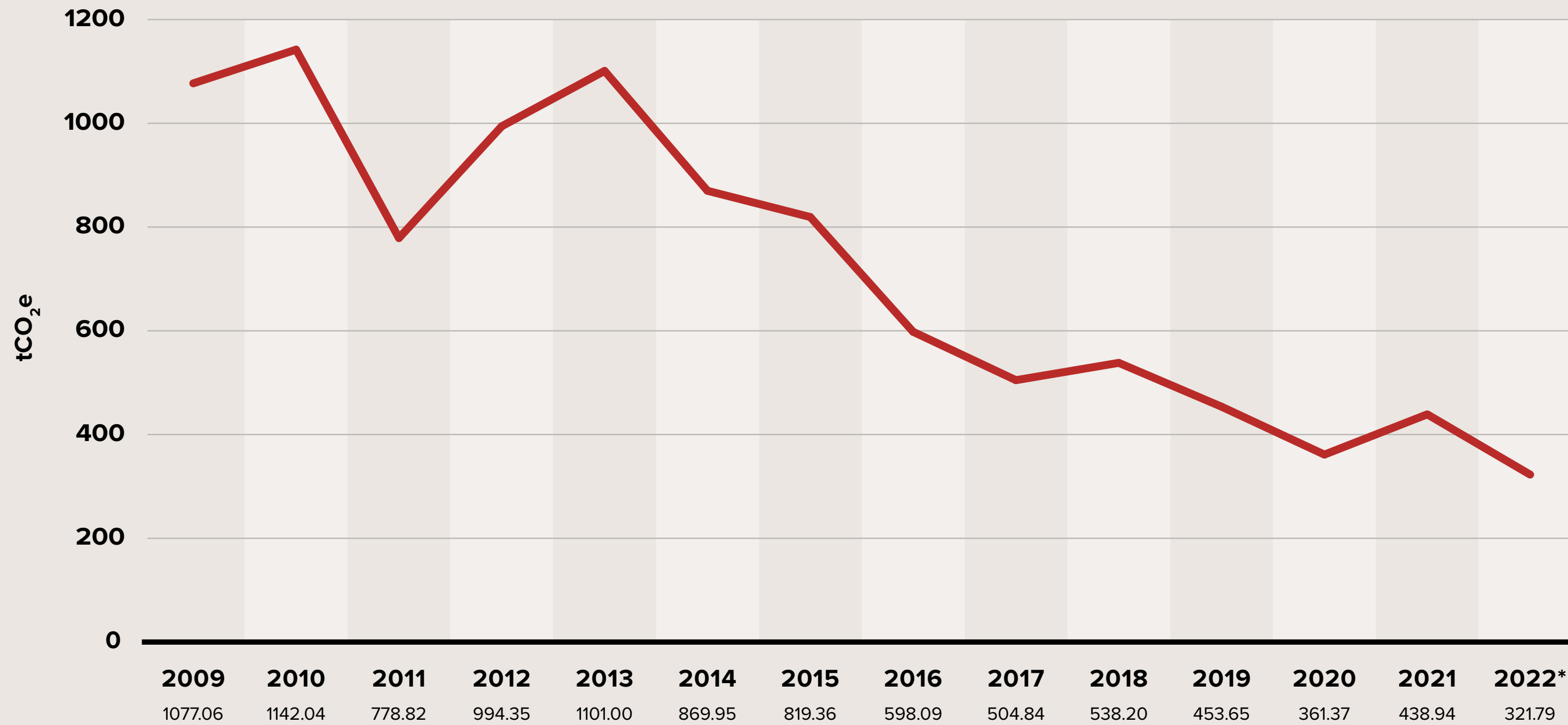
The GHG Protocol is a globally accepted and the most widely used standard for calculating the carbon footprint of companies and organizations.

The emission sources are divided into three Scopes and reporting on Scopes 1 and 2 is mandatory, according to the GHG Protocol.

- **SCOPE 1** covers all direct emissions such as company's own energy production and the use of company vehicles and fuels as well as refrigerant leaks.
- **SCOPE 2** covers the indirect emissions from purchased energy consumed in own operations, such as electricity and district heating.
- **SCOPE 3** covers all the other indirect emission sources in our value chain, including for example the emissions derived from purchased materials and services, waste and transportation. GHG protocol defines 15 categories for the Scope 3 emissions of which four categories are included in Suunto's emission inventory.



SUUNTO EMISSIONS (SCOPE 1 & SCOPE 2)
LOCATION-BASED



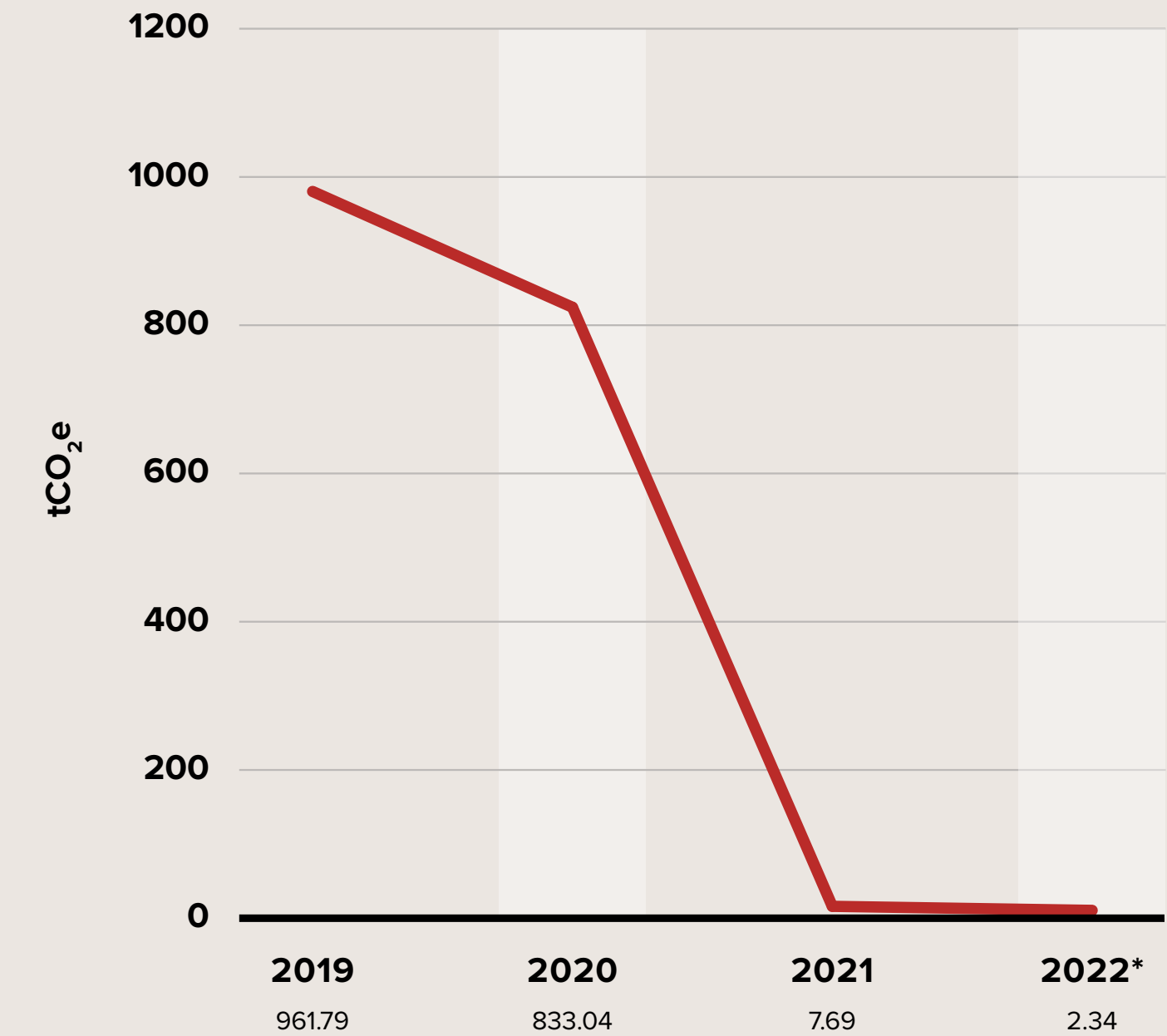
Location-based reporting: emission factors for energy production are based on national/regional statistics i.e., emissions of Finnish electricity production.

* including Tampere office

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. As from 2022 we started reporting our Tampere office emissions.



SUUNTO EMISSIONS (SCOPE 1 & SCOPE 2)
MARKET-BASED



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.

* including Tampere office

We have been collecting data on our market-based emissions since 2019 and Tampere office market-based emissions were included in the calculation in 2022.

An overview of Suunto carbon footprint (Scope 1, 2 and parts of Scope 3)

| | 2019 | 2020 | 2021 | 2022* | CHANGE % 2021-22 | DESCRIPTION |
|--|------|------|------|-------|------------------|--|
| Scope 1 (tCO₂e): | 17 | 4 | 8 | 0 | -100% | No emissions related to refringent leaks in 2022. No own vehicles or facilities. |
| Scope 2, market-based (tCO₂e): | 945 | 829 | 0 | 2 | +100% | 2022 emissions are related to electricity in Tampere office. Office switched to use 100% renewable electricity in June 2022. |
| Scope 2, location-based (tCO₂e): | 437 | 357 | 431 | 322 | -25% | |
| Total Scope 1 and 2, location-based (tCO₂e) | 454 | 361 | 439 | 322 | -27% | |
| Total Scope 1 and 2, market-based (tCO₂e) | 962 | 833 | 8 | 2 | -75% | 3 tCO ₂ e were offset (overcompensated) in 2022, hence own operations (Scope 1 and 2) were carbon neutral in 2022. |
| Total Scope 3 (tCO₂e) | 512 | 108 | 77 | 115 | +49% | 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 | 2 | -33% | 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 | 42 | -21% | 2019 and 2020 figures do not include electricity grid, T&D losses and are therefore not directly comparable to 2021-2022 figures. |
| Category 5: Waste generated in operations | 2 | 2 | 2 | 23 | +1050% | The increase in waste emissions is mainly due to change in emission factors in 2022. The total amount of waste has decreased compared to 2021 (see pages 23 and 24). |
| Category 6: Business travel | 495 | 93 | 19 | 48 | +153% | 48 tCO ₂ e were offset in 2022. |

* 2022 figures include Tampere office; 2019-2021 figures cover only Vantaa headquarters and factory.



Currently Suunto’s carbon emission calculation includes the emissions of our operations in the Vantaa factory and headquarters and Tampere office. Of Scope 3 emissions we report four categories (as in the previous table).

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 (electricity and district heating) in 2021. Tampere office started to use 100% renewable electricity (wind power) as from June 2022. The market-based emissions in 2022 (2.34 tCO₂e) are derived from Tampere office district heating and general electricity used until May 2022.

These emissions were offset with 3 tCO₂e of Verified Carbon Units (VCUs) in a REDD+ biodiversity project in Borneo, Indonesia, that prevents emissions by avoiding the planned deforestation of rich rain forests for palm oil production. The offsetting allowed us to achieve carbon neutrality in our own operations in Finland.

We also offset the emissions of Suunto business travel in 2022, a total of 48 tCO₂e by carbon units from the same project.

Rimba Raya Biodiversity Reserve project in Borneo is a CCB (Climate, Community, Biodiversity) certified and falls under REDD+ (Reducing Emissions from Deforestation and Forest Degradation in Developing Countries – UN framework convention on climate change).

The reserve protects 91,215 hectares of rich, tropical peat swamp forests which are monitored by local rangers as well as by satellite and aerial imagery. As well as preserving ecosystem diversity and the habitat of endangered species like the Bornean orangutan, the project reduces emissions by avoiding the planned deforestation of over 47,000 hectares of forests for palm oil production. The Rimba Raya project not only sequesters carbon and protects habitat for local wildlife; it also promotes local sustainable development, provides environmental education and economic capacity building.

In 2022, the emissions generated from waste increased mainly due to change in emission factors used in calculations. Factually, the total amount of generated waste decreased compared to 2021 (see 4.3 Waste).

We acknowledge that most of the emissions are created in our value chain, in purchased goods and services (especially components). Hence, we are in the process of conducting a complete Scope 3 emission inventory, and plan to have our carbon reduction roadmap and targets ready during 2023. In time, this will enable us to commit to Science Based Targets and the 1.5 degrees reduction target in line with the Paris Agreement.



4.3 WASTE

Suunto works continuously to reduce the environmental impacts of its own operations. The total amount of waste we generate has been gradually decreasing over the past three years. This is partly due to increased remote working practice, which has become common during and after the pandemic.

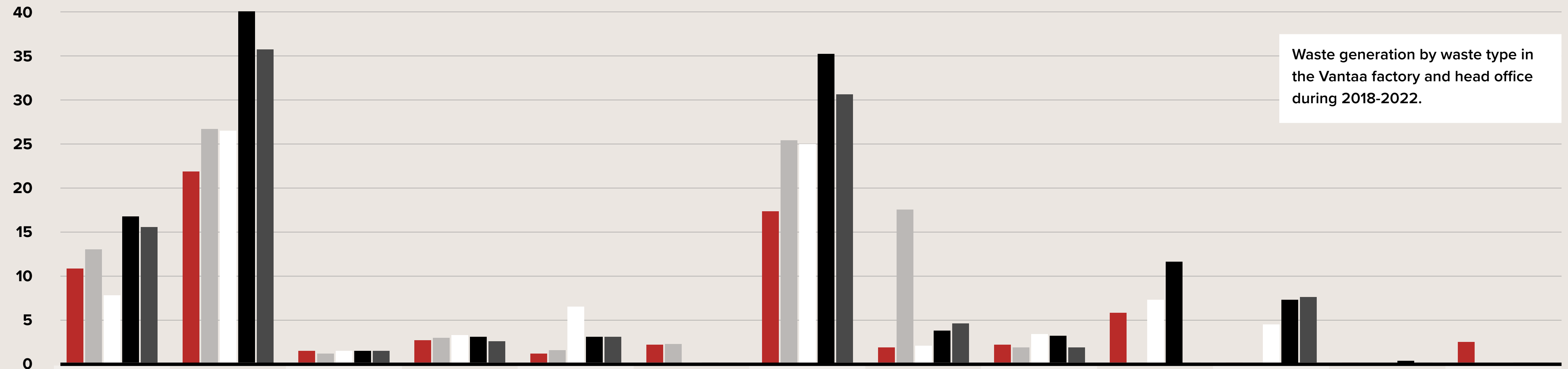
For the past five years, we have succeeded in our aim to generate zero landfill waste and continue to strive to ensure the remaining waste is recycled or reused whenever possible. 49% of our waste was recycled or reused in 2022.

In 2022, we improved the carton collection in the Vantaa headquarters to maximize the portion of cardboard waste being utilized in recycling. At the same time, there was a significant increase in the amount of construction waste due to repair and office refurbishment in Vantaa facilities.

| WASTE (TONNES) | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|--------------|-------------|-------------|-------------|
| Recycling and reuse | 38.1 | 55.7 | 45.3 | 33.5 | 33.1 |
| Composting (incl. anaerobic digestion) | 22.7 | 23.6 | 11.9 | 12.8 | 10.6 |
| Incineration | 40.5 | 43.8 | 28.5 | 44.3 | 23.8 |
| Landfill | 0.07 | 0.04 | 0.06 | 0.03 | 0.03 |
| TOTAL AMOUNT OF WASTE | 101.4 | 123.1 | 85.8 | 90.5 | 67.5 |
| Waste recycled or reused | 38% | 45% | 53% | 37% | 49% |
| Waste to landfill | 0% | 0% | 0% | 0% | 0% |



WASTE GENERATION IN VANTAA FACTORY AND HEADQUARTERS IN 2018-2022 (TONNES/YEAR)



| | Biowaste | Energy waste | Glass | Paper | Metal | Plastic | Cardboard | Mixed waste | Hazardous waste | Construction waste | Kitchen grease trap | Dish service | Other |
|-------------|----------|--------------|-------|-------|-------|---------|-----------|-------------|-----------------|--------------------|---------------------|--------------|-------|
| 2022 | 10.6 | 21.6 | 1.3 | 2.5 | 1.0 | 2.0 | 17.1 | 1.7 | 2.0 | 5.6 | 0.0 | 0.0 | 2.3 |
| 2021 | 12.8 | 26.4 | 1.0 | 2.8 | 1.4 | 2.1 | 25.1 | 17.3 | 1.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2010 | 7.6 | 26.2 | 1.3 | 3.1 | 6.3 | 0.0 | 24.7 | 1.9 | 3.2 | 7.1 | 4.3 | 0.0 | 0.0 |
| 2019 | 16.5 | 39.7 | 1.3 | 2.9 | 2.9 | 0.0 | 34.9 | 3.6 | 3.0 | 11.4 | 7.1 | 0.2 | 0.0 |
| 2018 | 15.3 | 35.4 | 1.3 | 2.4 | 2.9 | 0.0 | 30.3 | 4.4 | 1.7 | 0.0 | 7.4 | 0.0 | 0.0 |

4.4 ENERGY

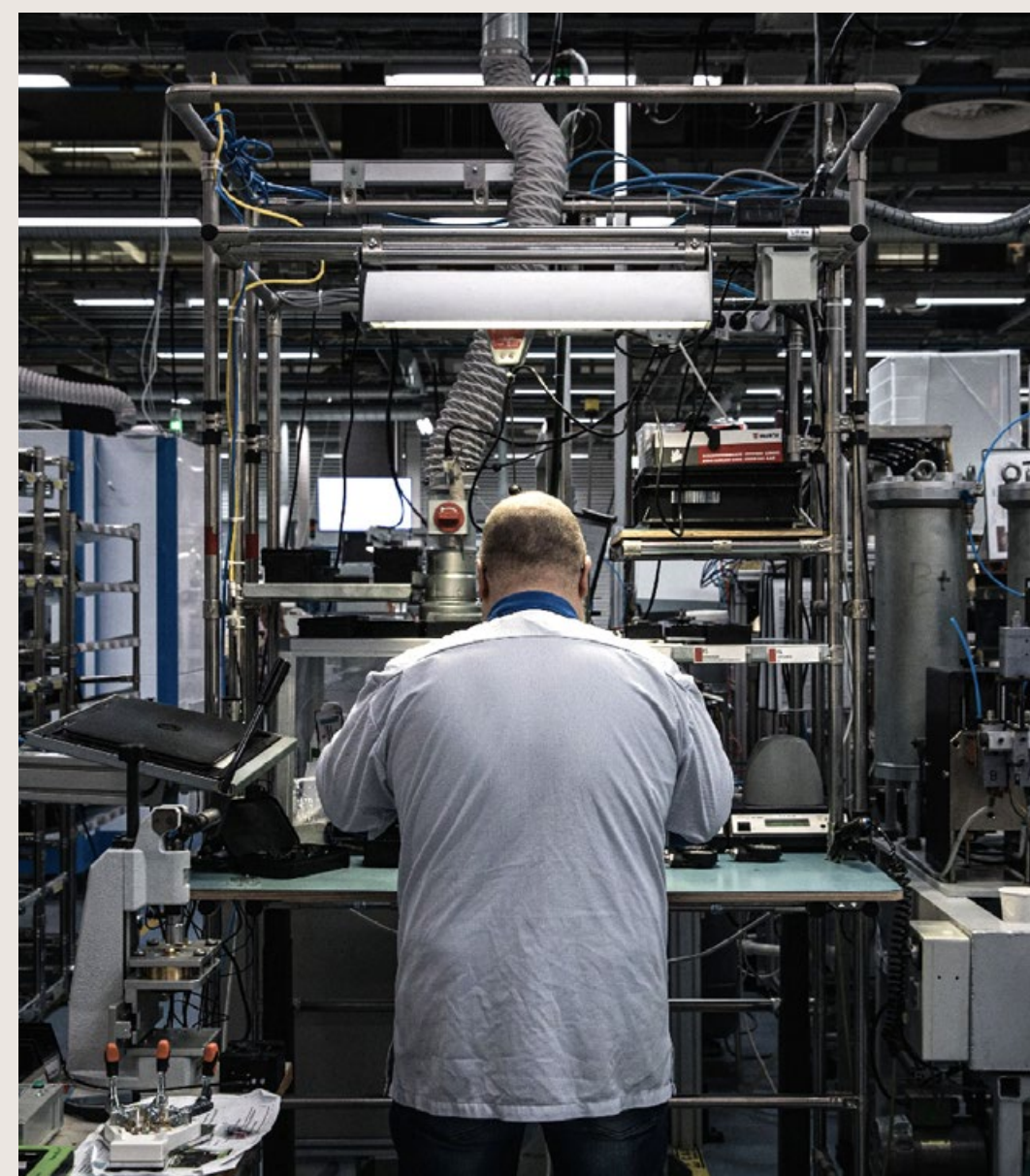
From the beginning of 2021 Suunto has been using 100% renewable energy at headquarters and the factory in Vantaa. This means that all our products which are made in Finland are made with 100% renewable, carbon-neutral energy. This covered over 90% of all our products in 2022. Our second office in Finland, Tampere, also started using renewable electricity from June 2022 onwards.

Our electricity used in Vantaa 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 total electricity consumption has slightly decreased over the past few years.

Our renewable district heating at Vantaa premises is produced at the Martinlaakso bio-power plant in Vantaa, Finland, which utilizes household mixed waste and wood waste generated as a by-product of the forest industry. Our total heating energy consumption has had

some fluctuation during the past few years due to yearly changes in weather conditions.

In 2022, we continued efforts to reduce the electricity consumption and to improve our energy efficiency, and we proceeded in renewing our lighting to LED lights. Already 85% of the lighting at our headquarters and factory is LED (80% in 2021). At the end of the year, we started a campaign to encourage employees to save energy by turning off the lights of unoccupied spaces at the headquarters.



4.5 CIRCULARITY AND REPAIRABILITY

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

We have a professional service network that repairs Suunto products with precision and high quality. We always strive to repair rather than replace – we do not like waste. In 2022, 72% of products returned to our service centers were repaired regardless of the age of the product or its warranty status. Consequently, Suunto repair service was rated with an excellent NPS (Net Promoter Score) score of 51 which indicates that the service is highly valued among our customers. The NPS score remained close to the same value as in previous year.

We refurbish the product returns from purchases at suunto.com whenever we can for a second life on the wrists of the customers. In 2022, we managed to circulate 88% of those products that were returned to Suunto in Finland. In refurbishment, the products are inspected and fine-tuned visually and functionally to ensure that

the outcome meets the same quality standard as new Suunto products. 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. The circulation rate of returned products has remained at the same level as in previous year 2021.

We are actively seeking and studying new ways of reducing material waste and reusing existing resources. In 2022 a student of Sustainable Business Management did a thesis study for us Researching the circular economy (CE) transition in the electronics sector. The thesis evaluated the current status of circular economy awareness and solutions at Suunto and looked for development areas to move towards circular economy.

The study shows that there are still many challenges and issues to be solved to implement a circular economy transition in companies. Among other things, challenges are caused by the lack of resources and information, attitudes,

and the difficulty of justifying the profitability of circular economy business models. The prerequisites for a circular economy transition are the commitment of the company’s management, preparatory background research about various solutions promoting the circular economy, sharing information, measuring the performance of the circular solutions and cooperation with stakeholders.

A conclusion of the thesis is that in the electronics sector the biggest challenges of the circular economy transition are related to lack of resources and circular economy knowl-

edge. Another finding is that the realization of the company’s circular economy transition requires a lot of research and data to support decision-making – from financial, technical and environmental point of view. Thirdly, for the circular economy transition to happen, circular economy would have to be chosen as one of the strategic priorities of the company. Despite of the challenges, there seem to be many opportunities in the electronics industry associated with circular economy, especially related to the company’s competitiveness and differentiation, as well as maintaining customer relations.



4.6 LIFE CYCLE ANALYSIS (LCA)

Suunto aims to gain full understanding of the environmental impacts of its products during their entire life cycle.

In 2022 we conducted the first cradle to grave life cycle assessments (LCAs) for our two watch models Suunto 9 Peak and Suunto 9 Peak Pro (in total four LCA calculations for different material variants of the products). The calculations included all materials used in the production of the watches (raw materials extraction, components, watch straps and packaging) together with other emission sources like transportation of materials, distribution, use, and recycling. The LCAs were conducted by an environmental consultancy according to GHG Protocol Product Life Cycle Accounting and Reporting standard and verified by a third party, in accordance with ISO 14025 and ISO 14040/14044.

According to the LCAs, the lifetime carbon emissions of Suunto GPS watches are very small. Some of the reasons for this are the energy-efficiency, durability and light weight of our watches, as well as the renewable energy

that our factory and the factory of the circuit board manufacturer uses.

The LCA calculations give us valuable information of the emissions created during different phases of the product’s lifetime and on the other hand, of the impacts of different parts and materials of the product and open a possibility to reduce the emissions even further, by selecting different raw materials and by managing logistics, for example.

Based on the verified LCA calculation results, we started offsetting all the lifetime emissions of Suunto 9 Peak and Suunto 9 Peak Pro watches. The offset is done by planting trees in a reforestation project in Southeast Africa, that also protects biodiversity and creates sustainable livelihoods for local communities in a valuable mangrove area. Tree-Nation is an internationally recognized non-profit dedicated to reforesting the world and a partner of the United Nations Environment Programme (UNEP). In 2022, we offset a total of 286.3 tCO₂e with VCS carbon credits through this project. Offsetting continues in 2023 with more watch models, as we aim to initiate a life cycle analysis (LCA) for all new watch models going forward.

Putting Suunto Vertical's carbon footprint into perspective:

Putting Suunto 9 Peak Pro's carbon footprint into perspective:



6.59 kg of CO₂e

The life cycle emissions of a Suunto Vertical Titanium Solar variant.



39 km

The life cycle emissions of Suunto Vertical are equal to driving 39 km with a fossil fuel car.*



2.8 Big Mac Hamburgers

The life cycle emissions of Suunto Vertical are equal to 2.8 Big Mac hamburgers.**



4.33 kg of CO₂e

The life cycle emissions of a Suunto 9 Peak Pro.



25 km

The life cycle emissions of Suunto 9 Peak Pro are equal to driving 25 km with a fossil fuel car.*



1.8 Big Mac Hamburgers

The life cycle emissions of Suunto 9 Peak Pro are equal to 1.8 Big Mac hamburgers.**

We have compensated the lifetime emissions of each Suunto Vertical and Suunto 9 Peak Pro with Verified Carbon Units (Verra) in a certified reforestation project via Tree-Nation.***

* www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022

** www.plantbasednews.org/news/environment/big-mac-carbon-footprint/

*** <https://tree-nation.com/>



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 2022 was another year of big transformation for Suunto. Due to a change in the company ownership, Suunto was carved out from Amer Sports to Chinese technology company Liesheng. The year focused on activities around the carve-out with planning and preparations continuing with transformation projects towards independent Suunto in the second half of the year.

Cultural differences in the ways of working and leading transformation projects were recognized and addressed. It's still an early phase in our cultural journey and the work continues. The goal is to create a winning culture by taking the best parts from both worlds, a recipe we believe will lead to Suunto's success and increased employee satisfaction.

Remote work continued in a hybrid model, allowing employees to work where they feel most ef-

fective, either at the office or somewhere else. We also continued to monitor the well-being of our employees by conducting an Employee Pulse survey. **According to the latest survey in Autumn 2022, 58% of respondents agreed or strongly agreed with the statement "I feel Suunto takes good care of my wellbeing at work" and 66% with the statement "I have a good work-life balance"**. The job satisfaction rates regarding these statements have remained the same compared to the survey conducted in the end of 2021.

Typical for the technology sector, the majority of Suunto's personnel are male (67%). At the year-end, 33% of Suunto employees were female and 38% of supervisor positions were filled by female employees. Suunto's nine-person strong leadership team was comprised of 7 men (78%) and two women (22%) in 2022.

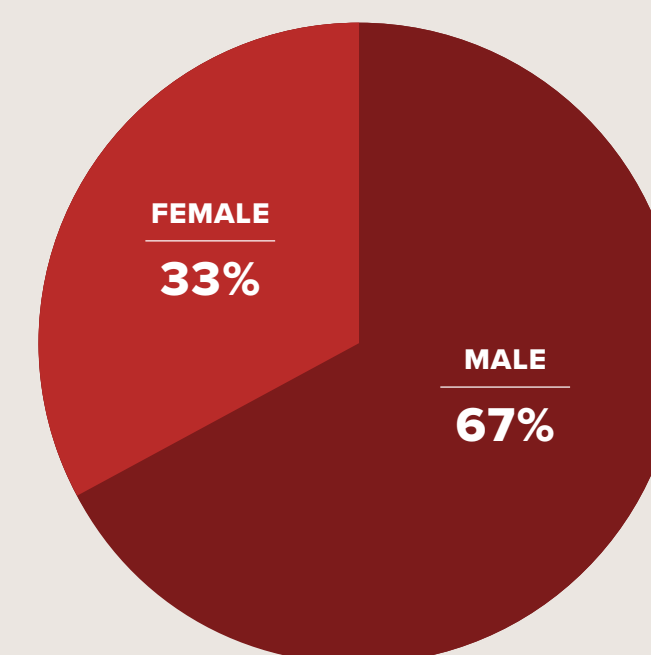
We maintain and develop a culture where everyone is welcomed and valued for who they are. To promote diversity and equality, we have implemented a recruitment process where we do not ask the gender of the applicant. We continue

efforts 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. 52% of our new employees, who started in 2022, were women and 48% were men. Compared to year 2021 we were able to attract significantly more women to be part of the Suunto team.

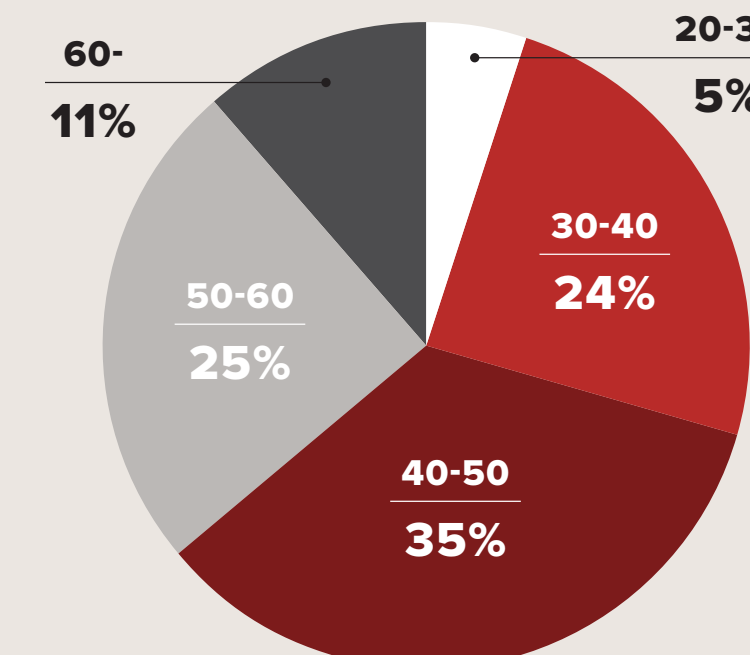


PERSONNEL IN FINLAND (31.12.2022)

GENDER DISTRIBUTION



AGE DISTRIBUTION



NUMBER OF EMPLOYEES



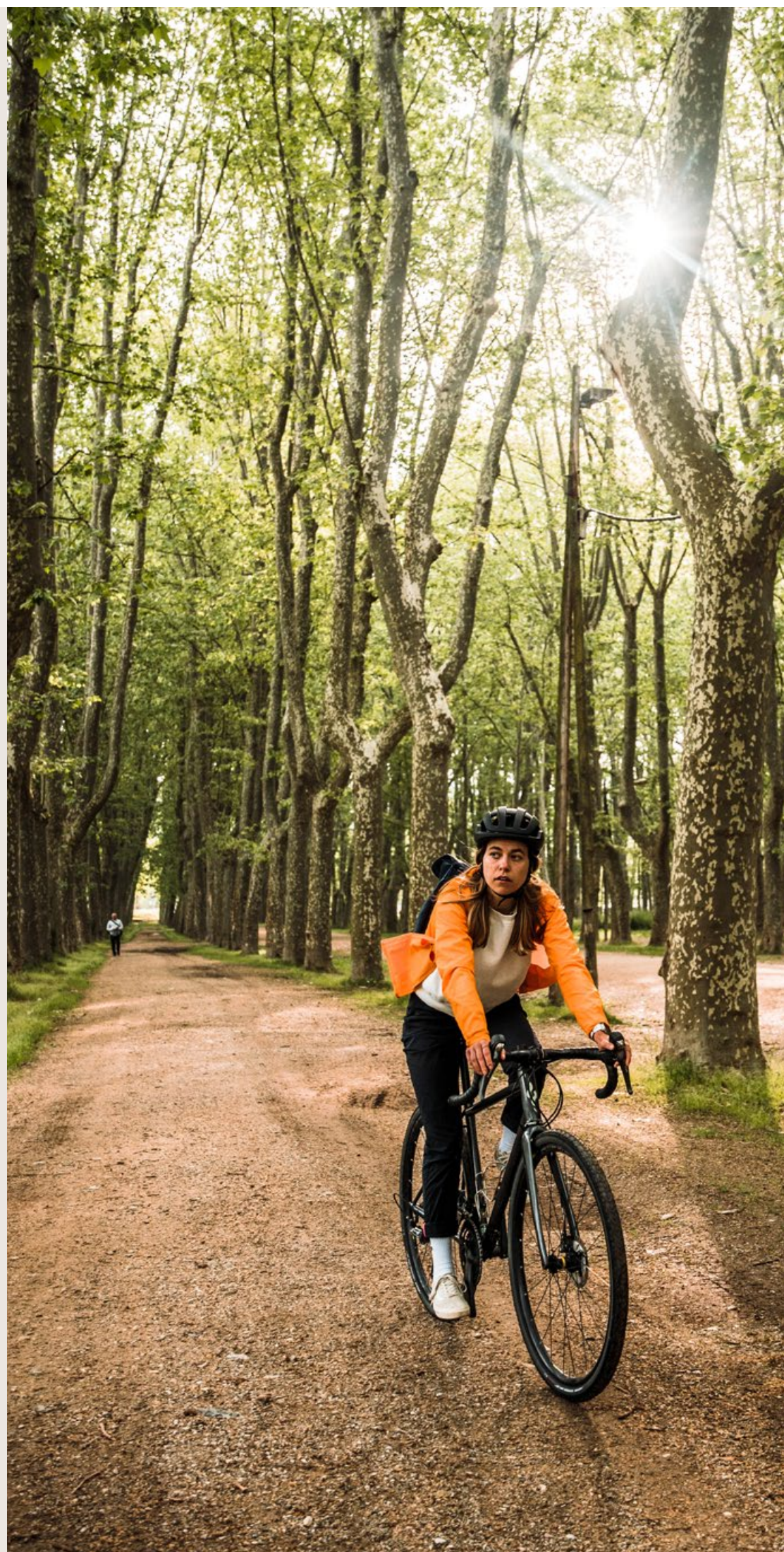
5.2 HEALTH AND SAFETY

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

Occupational safety was maintained through regular trainings, and monthly safety walks in 2022. Further, various wellbeing webinars and workshops on topics like resilience and how to handle change were organized for our employees.

In 2022, we had a total of eight accidents in Finland. Four of the accidents were due to fall from slippery ground, and all happened outside of Suunto premises.

In 2021, the Suunto rescue plan was updated, and our emergency exit plan was renewed during 2022. As an ongoing project, we are improving our machine safety to reduce the risk of accidents in the factory and to further protect our employees. ATEX risk mitigation work was started in 2022. This work is based on ATEX document update in 2021.



5.3 DIVERSITY, EQUITY AND INCLUSION

Diversity, equity, and inclusion (DEI) are highly important in today’s business world, both inside the organization and in its products and communications. Suunto has also started taking initial steps on this topic, 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 drafted by a working group consisting of members from multiple teams.

We continued to work closely with our ambassadors to raise awareness of the importance of diversity and inclusivity in outdoor sports and published several blogs about the topic to inspire the Suunto community. Our target on equal gender split in our ambassador team still requires more work.

A process led by our stakeholders in the US, we also started defining creative controls on DEI topics in our product design, communications and marketing. It was in our plans to carry out a DEI assessment during 2022, but due to

the ownership change we did not have resources to do it.

The topic and related company practices need a cohesive strategy, as it is linked to so many different aspects on employees and business conduct.



5.4 SUPPLY CHAIN DUE DILIGENCE

As described in chapter three, we acknowledge the sectoral and geographical risks related to the production of electronics. Suunto started to draft a new sustainability strategy and as part of it, a 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, were renewed in 2022:

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

The above policies include the main principles of all central international human rights and decent work conventions and environmental leg-

islation. 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) related to imports from China. During the year we also set up the whistleblowing channel to support the company transparency and corporate responsibility and enable grievances from any employee or stakeholder.

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

Up until May 2022 our suppliers were included under 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), whose member Amer Sports is.

In 2022 Sustainability and Sourcing teams working together, we did supply chain mapping and geographical risk-assessment of the major production/sourcing locations. As part of the new Sustainability strategy, we drafted a roadmap to develop responsible sourcing and supplier monitoring. As part of this, we also started to search for a suitable, globally recognized partner organization with credible monitoring and auditing system.

The vast majority of the components used globally have their origins in China; therefore, we have decided to focus our monitoring and auditing efforts firstly on the strategic tier 1. suppliers in China. The Suunto policies and supplier requirements mentioned above define the expectations for suppliers and partners. After renewing all the policies in the first half of 2022, they were translated into Chinese and communicating them to suppliers has been started. Setting up the supply chain monitoring system is a step-by-step process. It is expected to take one or two years to have the suppliers in the system, recurring assessments and audits running, improvement plans done (and followed up) and

have a view on the possibilities to create supplier cooperation and due diligence going beyond audits. At the same time, our own processes have to be aligned with the changing EU- and international corporate responsibility and human rights due diligence legislative requirements.

While acknowledging the huge challenges in the sector, Suunto also has some positives that help communicating these topics and mitigate the risks. The first is Suunto's high-end product offering that focuses more on quality and durability than low prices. Secondly, we have long trade-relations with many of the suppliers which is expected to enhance cooperation.

In the global electronics sector, it is challenging to create visibility beyond tier 1. and even more so concerning the long chains of raw materials sourced for components that are used in products (mines, smelters/refineries and wholesalers/traders). Related to the lack of transparency and control on the one hand and the existing human rights risks related to minerals on the other, we will support the sector's transparency initiatives, like the Responsible Minerals Initiative.



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 heritage, strong brand and our stakeholders’ trust are incredibly important to us. We are committed to operating ethically to maintain these assets. All our employees in all operating countries were required to complete a code of conduct e-learning training by Amer Sports in the beginning of the reporting year. This was to ensure the shared understanding of the ethical principles and the related practices from basic rights at work to anti-corruption and non-discrimination.

The following guidelines and policies support our daily business operations and guide us on how to drive sustainability and good governance in practice. Most of them were updated or completely rewritten during 2022.

- 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

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

REPORTING MISCONDUCT THROUGH WHISTLEBLOWING

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 that we set up in 2022. The whistleblowing service is offered by an external service provider and the access to the

channel is open for all through our website. All reported issues are treated confidentially and fairly. As an early warning system, the channel helps us to reduce risks and is an important tool in fostering high business ethics and maintaining customer and public trust.



A full-page background image of a trail runner in athletic gear (black jacket, shorts, cap, and gloves) carefully navigating a steep, rocky mountain ridge. The runner is leaning forward, with one hand touching the rock for balance. In the background, a vast valley with a winding river and a town is visible under a clear sky. The foreground shows a blurred, rocky outcrop.

7 CHALLENGES AND AREAS OF IMPROVEMENT

7. CHALLENGES AND AREAS OF IMPROVEMENT

More and more people consider the environmental and social sustainability topics important, and we have seen growing interest in the sustainability aspects of our business from different stakeholders. This has been expressed as increasing legislation and information needs from the authorities, voluntary reporting and sustainability surveys from clients and journalists visiting us. Suunto wishes to serve its users, customers and stakeholders better and corporate responsibility is no different from other areas.

For a company manufacturing electronics, the areas to improve the environmental or social sustainability are numerous, from climate impact to raw materials to circularity and supply chain human rights due diligence. Doing the background research that each specific impact area requires, identifying the biggest impacts and the most material issues and assessing these throughout the value chain can strain the sustainability resources thin. On the other hand, creating visibility in the supply chain and working with suppliers and other external stakeholders requires time and cannot be completed overnight.

Sustainability-based product development and considering more sustainable materials requires cooperation from multiple teams and may require changes in the internal processes of the company. Matching the required changes with ongoing product development and sourcing lead times can take years. As a high-end manufacturer we put a lot of emphasis on product quality and durability, and we have had to say no to some ecological materials that did not stand our rigorous tests.

In the past year, the life cycle assessments have been a valuable tool to dig deep in the product information and visualizing the linkages between different raw materials, detailed product structures and environmental impacts, both internally and externally.

The world has awoken quite late to the negative impacts related to the IT- and electronics sectors (from the sourcing of raw materials to handling of E-waste) and there are much fewer ethical or widely recognized environmental certifications for electronics similar to other consumer product segments. In our view achieving consumer-facing progress may take much more time compared to



other sectors, like clothing or apparel, and this requires extra communication from us to our audiences.

At the 2022 ownership change we had to start developing our own supplier monitoring system (till mid-2022 our suppliers were included in the previous owner’s auditing programme). In 2022, we renewed all our ethical and supplier requirements -including the Slavery and Human Trafficking Statement- and translated them into Chinese. Next we are proceeding to communicating the requirements and cooperating on the social auditing with suppliers. Achieving monitoring and cooperation that goes beyond audits is a huge challenge and will take time – the current socio-political developments in the main manufacturing countries making it even more challenging. One positive factor related to this is our relatively stable supplier portfolio and long relationships with many suppliers. The lockdowns in China for the most part of 2022 prevented the auditors visiting the one partner factory of Suunto, and the audit had to be postponed a couple of times before finally conducting it.

Although we are very proud of being 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. We need to create a more complete GHG emissions inventory -including the supply chain- and as per the experience from our peer companies, this will be an extensive exercise.

One challenge, and a need, is to create numerical impact indicators and targets that are both product- and sector appropriate for a company like us and ambitious from scientific point of view. The challenge has been to find scientific data or people specialized enough to support this on few specific areas. We have scheduled assessments on production scrap (waste) and extending our emissions reporting to cover the full Scope 3 of the GHG protocol for 2023.

Apart from the above, Suunto has to allocate resources to prepare for the upcoming legislative changes in the EU and the new compliance requirements on social responsibility, environmental sustainability and circularity. It will be a balancing act for Suunto, like many other companies, to set up new systems to be compliant and ready for the upcoming reporting requirements but keep implementing the ongoing sustainability projects at the same time.






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