



SUUNTO SUSTAINABILITY REPORT 2023



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1 INTRODUCTION

1. INTRODUCTION

Suunto has been publishing a sustainability report since 2021, this being our third 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' interests.

This report covers the calendar year 2023. Alongside the growth of public interest in global sustainability topics, the regulatory environment for companies on managing climate impacts and corporate responsibility is changing rapidly and requires increasing investment also from Suunto sustainability to keep up with the changes.

Our aim is to both widen the scope 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. All change takes time – especially in a complex sector and with products like electronics – and we do recognize we are still in the beginning of our sus-

tainability path. That's why we are openly stating that we are not perfect, but we are committed to be better.

During the year sustainability strengthened its role internally in the company and its importance was acknowledged by the leadership and investors alike. The work done in the previous year on sustainability initiatives – such as product carbon footprint calculations – and communications on them, bore fruit as also the consumers buying Suunto products stated sustainability among the top attributes considered when making the purchase decision (Suunto product owner survey 2023). While implementing the sustainability strategy and securing compliance, the company started preparations for the upcoming EU Corporate Sustainability Reporting Directive (EU CSRD).

This report first introduces Suunto as a company and the sustainability highlights of 2023. Thenafter, it presents the framework (system) for managing the sustainability strategy and compliance and our value chain and its risk assessment. The environmental performance is then presented in detail by different impact categories. The following chapters discuss the 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 main product categories are GPS sports watches, dive computers, compasses, and precision instruments. We broadened our product portfolio with the launch of headphones in 2023.

We are committed to developing high-end products, inspiring adventurous lifestyles and 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.

Suunto is a global company with a presence in all major markets and products are sold in around 100 countries. As from May 2022 Suunto has been owned by, and functions as an independent unit of leading Chinese technology company Liesheng.

The vast majority of Suunto's products (72% in 2023) are designed, tested, and assembled in our own factory in Finland. The remaining 28% of the products were manufactured in China by a Suunto production unit commenced by our parent company. Most of Suunto's 300 employees are based in Finland. In addition to Finland, we employ regional sales and marketing teams on most continents.

TODAY WE ARE...

- **87 years old company (2023)**
- **Employer of 300+ dedicated professionals**
- **One of the few Finnish consumer brands with a global reach**
- **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 2023

CLIMATE & EMISSIONS

- We conducted a cradle to grave life cycle assessments (LCA) for two new watch models, each with two material variants, including a LCA for the Race watch made in China.
- We offset the lifetime emissions of all sold watches that have the carbon footprint (LCA) calculated. In 2023, we offset 933.6 tCO₂e with Verified Carbon Units and planted 18 686 trees through a reforestation project in Southeast Africa.
- We developed a comprehensive emissions reporting roadmap via an assessment of Greenhouse Gas Protocol (GHG) Scope 3 categories.
- An external agency conducted an energy audit for our headquarters and factory in Finland.

WASTE & MATERIALS

- The accessory packaging was renewed, into zero single-use plastics one.
- We commissioned an assessment on production scrap levels and its reduction.
- Research was done on the take-back model of used products.

MEDIA & INITIATIVES

- Sustainability was acknowledged as one of the top factors influencing consumers who purchased a Suunto watch released in 2023 (Suunto product owner survey 7/2023).
- Finland headquarter was visited by many of our international ambassadors, among whom the mountain athlete Greg Hill filmed a sustainability-focused video presenting Suunto's manufacturing and sustainability actions.

COMPLIANCE & CERTIFICATIONS

- Multiple Suunto teams cooperated on projects on EU Battery Directive, Extended Producer Responsibility Directive and the EU Corporate Sustainability Reporting Directive.
- Suunto Finland renewed its ISO 9001 and 14001 certifications in an external certification audit. Suunto China was also ISO 9001 and 14001 certified.
- Suunto became a member of the supply chain sustainability organization Sedex and initiated a new Supplier Requirements process with the most strategic suppliers.



1.3 SUUNTO COMMUNITY AND AMBASSADORS

We work towards minimizing the environmental footprint of our operations and encourage our community to contribute through more sustainable everyday choices.

Living a more sustainable life starts with small, everyday choices. People do not always need to travel far to find something unexpected, something they have not seen before. Based on that idea, we invited the Suunto community to join the Backyard Adventure campaign and built hiking and bikepacking route collections for major European cities together with Komoot in the summer of 2023.

The idea for a Backyard Adventure was simple: spin a bottle and let that determine the bearing you will be heading for a few hours – or a few days. An adventure was guaranteed as shown in the community’s social media posts.

The goal of the hiking and bikepacking routes was to inspire people to venture into nature close to their homes. The collections had routes for Berlin, Helsinki, London, Madrid, Milan, Munich, Paris, and Rome. Adventuring



close to home is not only practical and time-efficient; it is also good for the environment.

We also partnered with various Suunto ambassadors to drive awareness and positive change for diversity, social and environmental issues. An example of this change was our partnership with Out Trails LGBTQ+ Running Retreat which we supported with 25 scholarships for LGBTQ-identifying runners.

In June 2023 we celebrated World Oceans Day with an essay written by Suunto ambassador and underwater explorer Jill Heinerth.

“

Running has been my conduit and my catalyst for really helping me understand who I am — to come out of my own closet and to be comfortable with my own identity. Part of the genesis of the Out Trails LGBTQ+ Running Retreat is to help other queer-identifying athletes have an opportunity to push themselves physically and mentally, alongside a supportive community, to learn something new about the outdoors or themselves.”

RYAN MONTGOMERY, SUUNTO AMBASSADOR AND OUT TRAILS FOUNDER



“

Deep beneath our feet lies a mesmerizing world that remains largely unknown: a network of water-filled caves winding through the darkness, carrying the lifeblood of our planet. As a cave diver, I have dedicated my life to exploring these mysterious subterranean passages. I invite you to join me on a captivating journey into the depths, where fear and discovery converge, and where the delicate balance of survival and exploration unfolds.”

JILL HEINERTH, SUUNTO AMBASSADOR AND UNDERWATER EXPLORER



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. In the Leadership team, we have one person responsible of the sustainability topic. The implementation of the sustainability strategy 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 periodical Management Reviews. Sustainability works closely with other teams in the company, including Facility, Quality, Supply Chain Management, Sourcing, Product Development and Design.

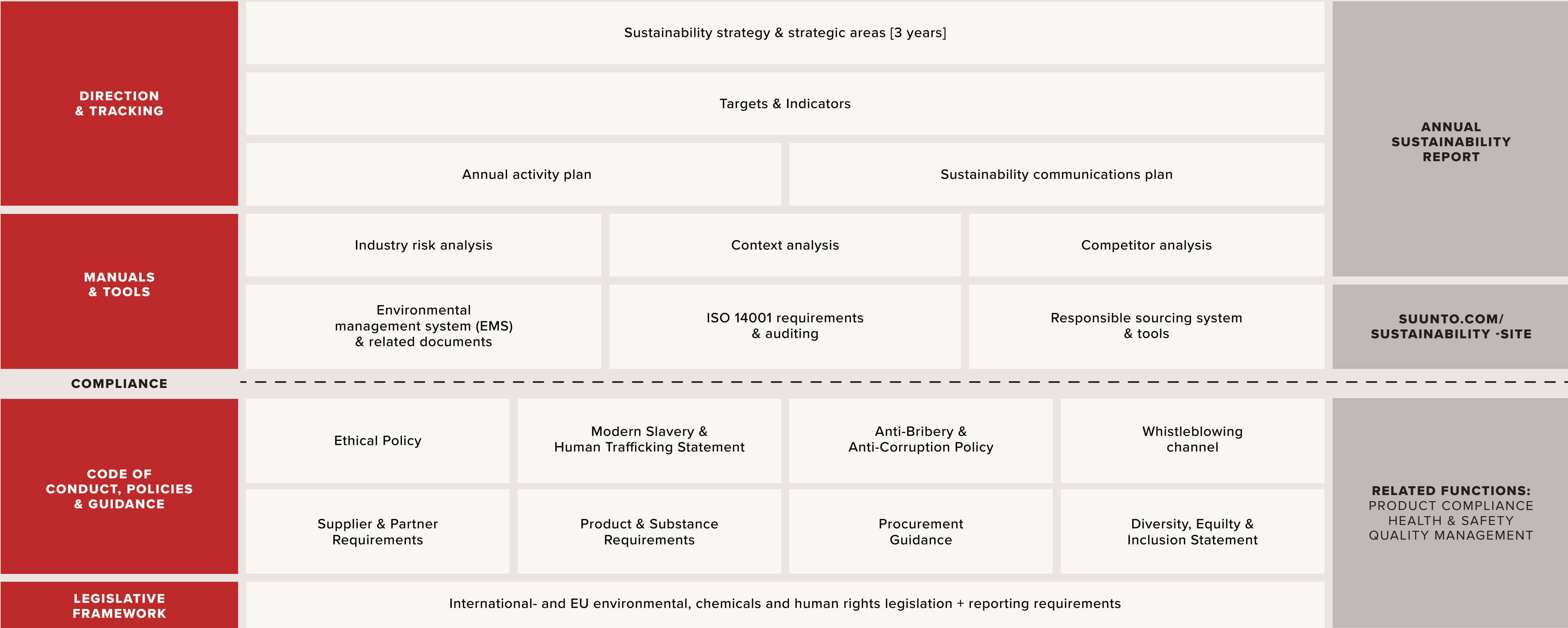
Suunto is a member of FIBS (Finland Business and Society, a Nordic corporate responsibility network), Supply chain sustainability organization Sedex and RMI, Responsible Minerals Initiative. Suunto has had an environmental management system and an ISO 14001 certification since 2013 and we are audited annually by a third party. Suunto also has an ISO 9001 Quality management certification.

The chart on the next page describes the main components of Suunto's sustainability management system. A new sustainability strategy and renewed policies were approved in 2022. The policies mentioned in the chart form the basis for sustainability requirements for product development, sourcing, and suppliers/partners.

Some of the policies and requirements were updated in 2023 as per the changes in the organization and the international legislation. In addition, the ongoing changes in the regulatory environment – especially by the EU –, require a lot of preparation.



SUUNTO SUSTAINABILITY SYSTEM



2.1 SUSTAINABILITY STRATEGY AND TARGETS

Suunto's sustainability strategy is divided into three areas: environmental sustainability, social sustainability, and good governance. Under them are thematic areas from climate, raw materials, and circularity to responsible sourcing, to name a few. Prior to drafting new targets and indicators for the different impact areas we had to take time first to do necessary research on different complex impacts (emissions; production scrap; supplier management; impacts of eco-materials) to enhance our understanding and to be able to set scientifically appropriate targets.

As the strategic period coincides with the preparation for the EU Corporate Sustainability Reporting Directive – and the double materiality assessment required by it –, we wanted to wait for the reporting standards and our EUCSRD-related assessments to be ready, before finalizing the sustainability metrics.

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

- **Company's CO₂ emissions according to GHG Protocol (Scopes 1-3)**
- **Production scrap and obsolete inventory levels**
- **Life cycle assessments for products**
- **Refurbishment rate/re-circulation of product returns**
- **Full material declarations (Substance compliance)**



2.2 RISK MANAGEMENT

Suunto's risk management process fulfills the ISO 9001:2015 and ISO 14001:2015 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 reporting and review is a regular agenda item in the periodic Management Review with the Leadership team.

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.

In 2023, risk management focused especially on the transfer of Suunto IT systems from the previous owner's organization and the potential risks caused by it.

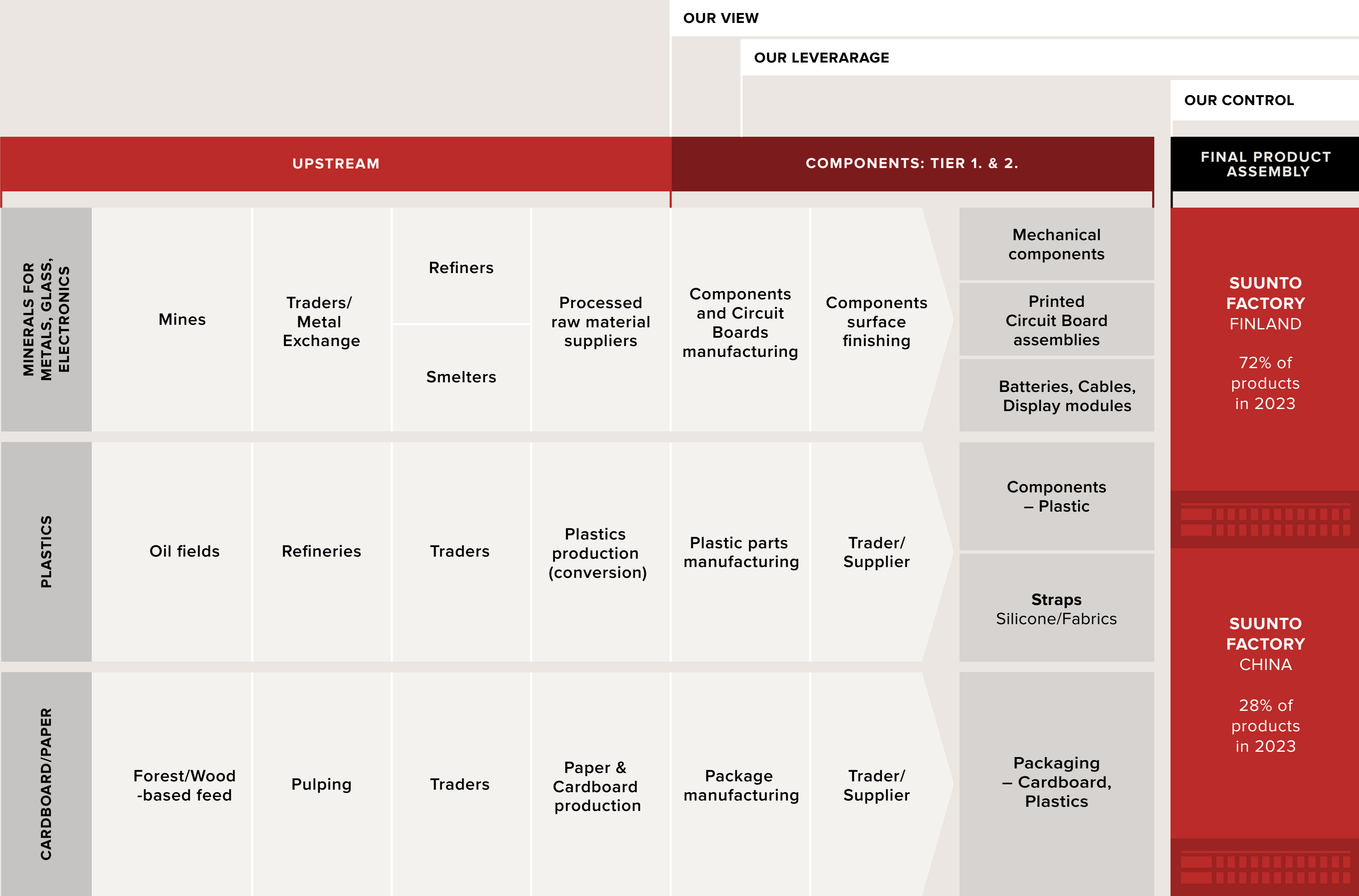


3 SUUNTO VALUE CHAIN AND RISKS

3. SUUNTO VALUE CHAIN AND RISKS

The vast majority (72% in 2023) of Suunto’s products were made (designed, developed, tested, and assembled) in Suunto’s factory in Finland. A new product development unit in China made (assembled) the remaining 28% of all products in 2023.

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



Although our own production is quite straightforward, we acknowledge the challenges in the electronics sector overall. The main concerns are related to the upstream of the value chain; traceability of raw materials and the complexity of the supply chains of both minerals and components. These value chain phases have the biggest risks but at the same time they are areas where we as the end-manufacturer have the least visibility or leverage. 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 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 the changes in the operational context and international regulatory envi-

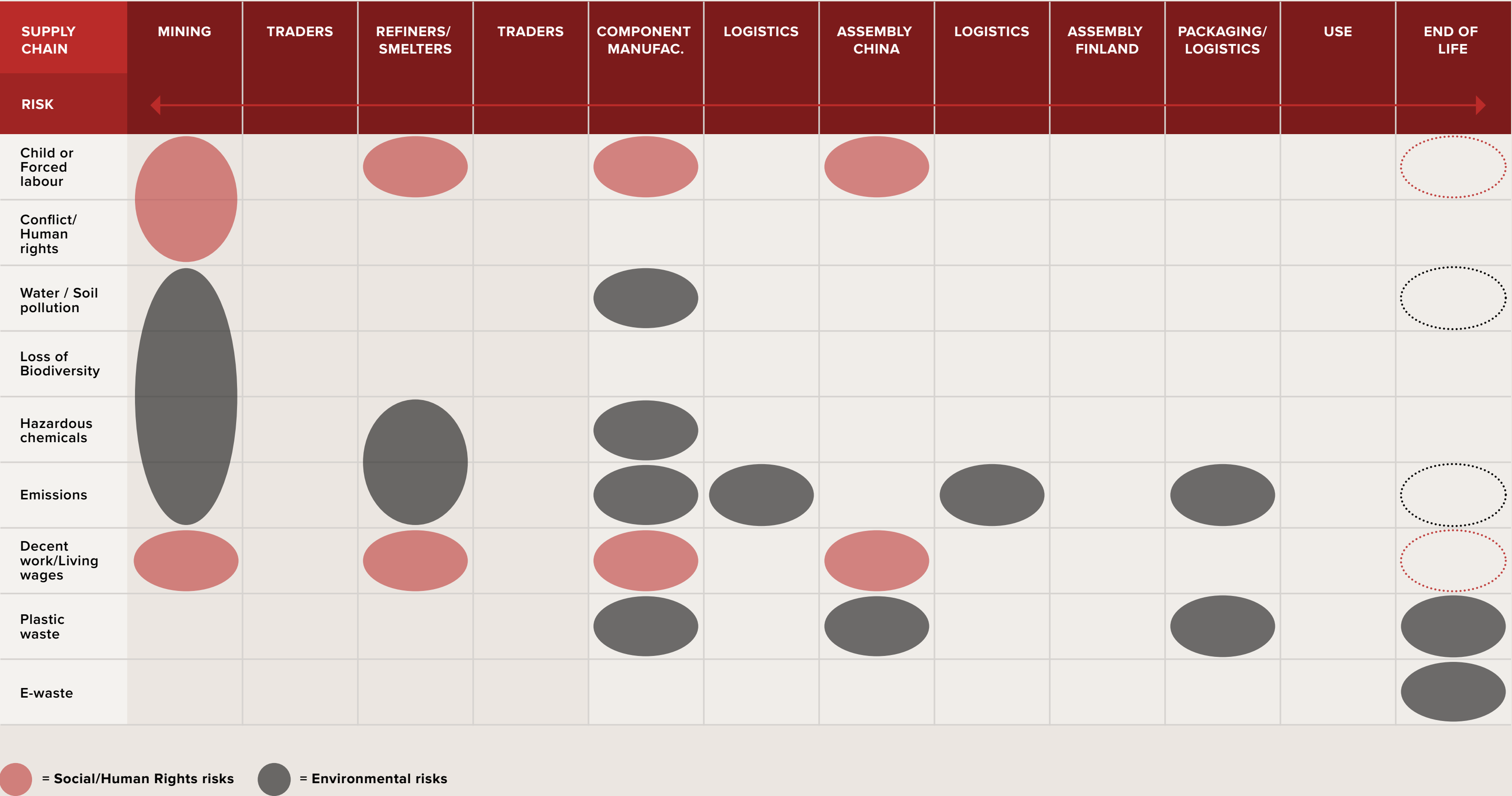
ronment that may have an impact on the supply chains from the environmental or human rights due diligence point of view. We are a member of the corporate responsibility network FIBS (Finnish Business and Society) and its Human Rights and Business working group. As a company not trading minerals directly, we have joined the Responsible Minerals Initiative (RMI) to support the development of more responsible minerals supply chains.

In 2023 we finalized our application process to the supply chain sustainability organization Sedex, which has over 75 000 member companies and industries all over the world. We also started preparing for the EU Corporate Sustainability Reporting Directive, including an assessment of the value chain impacts and risks, that will give us an updated identification of risks and impacts, verified by external stakeholders.

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



THE ELECTRONICS VALUE CHAIN RISKS AND IMPACTS



- **The impact of plastic waste varies** depending on the geographical location where the plastic becomes a waste – the level of the location’s recycling services and people’s awareness of the importance of recycling. For example, in Suunto factory in Finland, all waste – regardless of the type – is collected and recycled, nothing ending up to landfill waste. Similarly, consumers have good opportunities to recycle product packages and return their devices to electronics recycling collection points. This is the case in our main market (EU) where countries have waste legislation and waste management systems. All in all, the durability and repairability of Suunto’s products help avoid waste (both packaging- and e-waste) created. In 2022-2023 Suunto has also been renewing its packaging to replace any petroleum-based plastics with biodegradable materials.
- **The negative effects on the end-of-life phase** in the chart refer to illegal exports of e-waste to unofficial recycling sites in low-income countries. The methods at unregulated recycling sites can cause serious environmental issues and health effects to people handling the e-waste. These are emissions from burning the parts to segregate precious metals, and soil and water pollution by heavy metals (in turn effecting the health of people and animals). These sites employ informal, low paid workers and children, so decent work, health and safety are also issues. The EU has banned exporting e-waste to developing countries, and we hope to see the end of the illegal trade as the minerals used in electronics become scarce, making recycling more profitable.

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. Simultaneously, the EU and other markets have several new directives recently approved adding requirements for businesses on human rights due diligence, circular economy and managing environmental/climate impacts.

With the new EU Corporate Sustainability Reporting Directive (EU 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 preparation for these growing reporting requirements was started during 2023.

In 2023 we became a member of the supply chain sustainability organization Sedex and continued memberships in other corporate responsibility organizations and networks. We, with our 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 the EU area, our current main market.

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

In 2023 we assigned assessments on EPR and the new EU Battery Directive and conducted an energy audit in our headquarter and factory to ensure compliance and find opportunities for improvement. We also initiated a new compliance review process to strengthen compliance throughout company's key functions and company's risk assessment.



4.1.1 SUBSTANCE COMPLIANCE

Suunto created a new Substance requirements document in 2023 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 production processes and the overall safety of the products. 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.

By the end of 2023 we had major changes in our product portfolio when several older prod-

uct models were discontinued. This also had an impact on our supply chain and the number of active components used.

During 2023 we also had major changes in our supply chain, which has caused some challenges in the ability to collect FMDs of our components.

In 2023, the material data collection continued, and in May 2024 we had a FMD or MCV (Maximum Concentration Values) data for 73.9% of the requested components (78.4% in January 2023).



4.1.2 CONFLICT MINERALS

Legislators and the whole extractive and electronics sectors have many challenges to resolve on conflict and rare earth minerals, due to the related issues on human rights and environmental damage.

Suunto has quite a minimal leverage in the complicated value chains of raw materials used in the manufacturing of components, due to the company size and because Suunto does not source minerals directly. Some of the components (that may include the risky minerals) come as part of sub-assemblies that are then used as part of our product (the components in sub-assemblies not directly designed or ordered by us).

Despite of our position, we anyhow want to support the global movement towards more responsible minerals sourcing. In 2022 we joined the Responsible Minerals Initiative, RMI, who is developing tools for the assurance of more transparent conflict minerals supply chains and monitoring. Also, whenever requested by our customers, we request conflict mineral declarations from our suppliers and provide the information to our customers, assisting in this role the best we can.

The product life cycle assessment (LCA) and the substance compliance (full material declarations) processes have given us more detailed information of the materials and substances used in the components. The next level from this would be a comprehensive project to build a data base and mechanism to manage and update the changing data on the minerals included in hundreds of (extremely small) components and finding ways to impact the product development and sourcing cycles with the information.



4.2 EMISSIONS

We have been collecting data on Suunto’s 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 2023 our offices in the UK and France were included in the emission reporting together with the Tampere and Vantaa offices and factory in Finland.

During the year we conducted a complete Scope 3 emission inventory and ten categories (four in 2022) of Scope 3 emissions which are relevant to our business are included in our emissions reporting as from 2023.

* 2023 figures include facilities in Finland, UK and France offices. 2022 figures include Tampere and Vantaa office and factory in Finland; 2021 figures cover only Vantaa office and factory in Finland.

SUUNTO EMISSIONS 2023		2021*	2022*	2023*	DESCRIPTION
Scope 1 (tCO ₂ e):		8	0	9	Increase due to including emissions related to company car fuels in the calculations.
Scope 2, market-based (tCO ₂ e):		0	2	19	Increase due to including energy use in the UK and France offices in the calculations.
Scope 2, location-based (tCO ₂ e):		431	322	196	
TOTAL	Scope 1 and 2, location-based (tCO ₂ e)	439	322	205	
TOTAL	Scope 1 and 2, market-based (tCO ₂ e)	8	2	28	30 tCO ₂ e were offset for 2023.
TOTAL	Scope 3 (tCO ₂ e)	77	115	7608	Full Scope 3 reporting in 2023 covering all relevant emission categories and Suunto facilities in Europe if not otherwise stated.
Category 1: Purchased goods & services		3	2	4435	Reporting of this category covered only paper and water during 2021-2022, hence the increase in emissions in 2023.
Category 2: Capital goods		n/a	n/a	184	Reporting of this category started in 2023.
Category 3: Fuel- and energy-related activities		53	42	49	Emissions of UK and France office included as from 2023.
Category 4: Upstream transportation and distribution		n/a	n/a	904	Reporting of this category started in 2023.
Category 5: Waste generated in operations		2	23	16	Not including UK and France offices.
Category 6: Business travel		19	48	136	The increase is due to business travel recovering back to normal after Covid-19 restrictions.
Category 7: Employee commuting		n/a	n/a	192	Reporting of this category started in 2023. Remote work was also included in the calculation.
Category 8: Upstream leased assets		n/a	n/a	47	Reporting of this category started in 2023.
Category 9: Downstream transportation and distribution		n/a	n/a	1 583	Reporting of this category started in 2023.
Category 12: End-of-life treatment of sold products		n/a	n/a	62	Reporting of this category started in 2023.
TOTAL EMISSIONS tCO ₂ e		–	–	7 636	

Suunto total emissions in 2023 were 7 636.7 tCO₂e which is equal to annual CO₂ emissions of 992 Finns (Source: openco2.net). In 2023, direct emissions from Suunto's own operations (Scope 1) and emissions of energy consumption (Scope 2) were only 0.4% (28 tCO₂e) of the total emissions. These emissions were offset with 30 tCO₂e of Verified Carbon Units (VCUs) in Envira Amazonia Project in Brazil, that protects the tropical rainforest, preserves natural biodiversity, and directly benefits local communities.

Most of the emissions in our operations (99.6%) are created indirectly in our value chain (Scope 3), especially in purchased goods and services. This category accounts for 58.1% of the total emissions of Suunto. This is typical for a company selling consumer goods. The category includes upstream emissions from purchased products and services, including main materials, like components. Only products exceeding material economic value are included in the scope of calculations. Emissions of purchased services, such as consultancy, are calculated using a spend-based method. Banking, insurance and payroll services are excluded from the scope of calculations.

The Envira Amazonia Project is a REDD+ project in the State of Acre, Brazil aiming to protect up to 200,000 hectares of tropical rainforest and mitigate the release of ~12.6 million metric tons of carbon dioxide emissions in the first 10 years of the project. Simultaneously, it will preserve rich biodiversity and provide direct benefits to local communities.

The area is home to an exceptional number of tropical, endangered, and indigenous birds and endangered tree species. The project aims to find alternative sources of income and employment opportunities for residents by offering supplementary agricultural training courses, hiring local forest guards, and creating programs to commercialize the collection of medicinal plants and açai berries. Efforts are also made to improve local water quality and agricultural conditions by preserving topsoil and controlling erosion.

Also, emissions arising from upstream and downstream transportation and distribution play a significant role in our total emissions as we purchase vast amounts of materials for manufacturing products and deliver final products to the customers. These categories include emissions of transportation and distribution services purchased by Suunto. The calculations are based on both emission reports provided by the logistics service providers and emissions calculated for Suunto by a third party based on statistics on the distance, gross weight transported, and transportation mode received from the logistics service providers. These emissions account for 32.6% of our total emissions.

The emissions of all 9 Peak, 9 Peak Pro, Vertical and Race watch models sold during 2023 were offset via Tree-Nation equaling to 933.6 tCO₂e of emissions. 11% of our transportation and distribution shipments, a total of 273.4 tCO₂e, were offset by DHL GoGreen deliveries, which utilize sustainable aviation fuel (SAF) instead of traditional fuel for aircraft.

After being able to widen the scope of our emissions reporting to cover the GHG Scope 3 emissions in 2023, our goal is to define a carbon reduction roadmap and targets, enabling us to join the Science Based Targets initiative and commit to the 1.5 degrees reduction target in line with the Paris Agreement.



4.3 WASTE

We make constant efforts to reduce the environmental impact of our operations, including reducing the production and office waste. The total amount of waste we generate in our own operations in Vantaa, Finland has been decreasing over the past few years.

For several years, we have generated close to zero landfill waste and continue to ensure the remaining waste is recycled or reused efficiently. In 2023 44% (49% in 2022) of our waste was recycled or reused and 18% was composted.

We have identified office waste segregation and correct recycling as an area for improvement. In 2023, we continued facilitating the separation and proper disposal of recyclables for our staff and paid special attention to the carton collection in the headquarters.

WASTE (TONNES)	2021	2022	2023
Recycling and reuse	33.5	33.1	25.2
Composting (incl. anaerobic digestion)	12.8	10.6	10.3
Incineration	44.3	23.8	21.2
Landfill	0.03	0.03	0.01
TOTAL AMOUNT OF WASTE	90.5	67.5	56.7
Waste recycled or reused	37%	49%	44%
Waste to landfill	0%	0%	0%



4.4 ENERGY

From the beginning of 2021 Suunto has been using 100% renewable, certified EKOenergy at headquarters and the factory in Vantaa, Finland. This means that all our products which are made in Finland are made with 100% renewable, carbon-neutral energy. This covered over 72% of all our products in 2023.



In 2023, we continued efforts to reduce the electricity consumption and we were able to reduce our total energy consumption slightly during the year. To achieve greater energy efficiency an energy audit was conducted by a third party at the end of the year. During the audit our energy use in Vantaa office and factory in Finland was analyzed to identify opportunities for energy savings and to propose measures for improving energy efficiency and cost saving at our facility. We will implement actions based on the audit findings during 2024.

As another measure to reduce emissions from energy use, we will investigate possibilities to switch to renewable energy also in our UK and France offices.



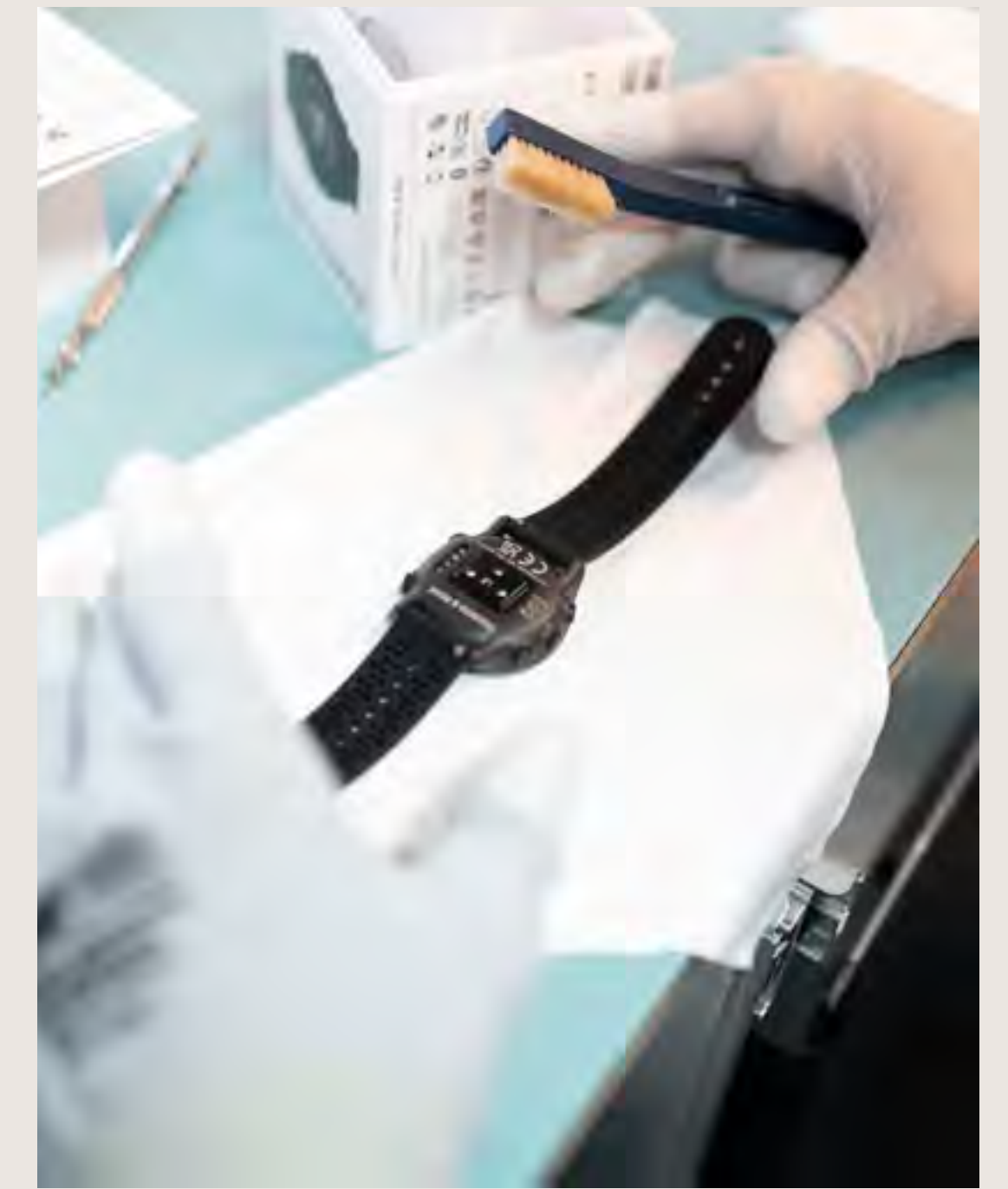
4.5 CIRCULARITY AND REPAIRABILITY

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 2023, 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 a very good Net Promoter Score of 46 which indicates that the service is valued among our customers. The NPS score slightly declined from the 51 of 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 refurbishment, the products are inspected and finetuned visually and functionally to ensure 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.



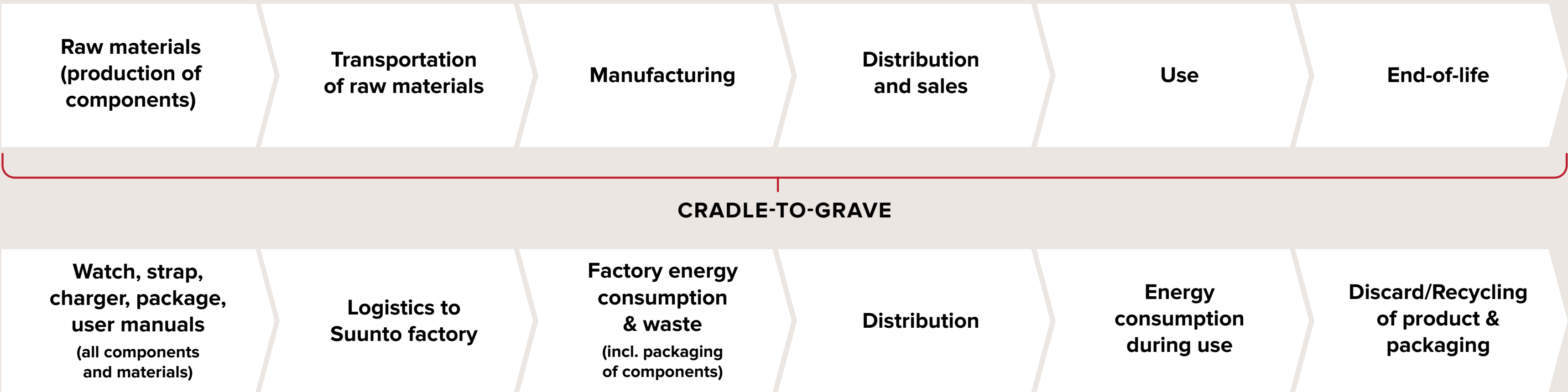
4.6 LIFE CYCLE ANALYSIS (LCA)

In our ongoing commitment to sustainability, we recognize the importance of understanding the environmental impact of our products throughout their life cycle. A Life Cycle Assessment (LCA) calculates the full carbon footprint of a product, but also adds understanding of the proportional impacts of the materials and components used, and on the other hand, the different phases in a product’s life cycle.

The LCAs consider the emissions created during the whole lifetime of a product, from raw material extraction to end-of-life disposal. This comprehensive analysis provides valuable insights into key emission impact areas such production, transportation of materials, distribution, use, and disposal of the product.

The information from the LCAs can be utilized to support decisions in product design and development, selecting materials, optimizing production processes, and design for circularity. By pinpointing hotspots within the product’s life cycle, we can implement targeted actions to reduce our environmental impact, for example in logistics. The LCA

THE SCOPE OF THE LCA CALCULATION: GRADLE TO GRAVE



also supports our communication with stakeholders, offering a credible account of the environmental performance of specific products.

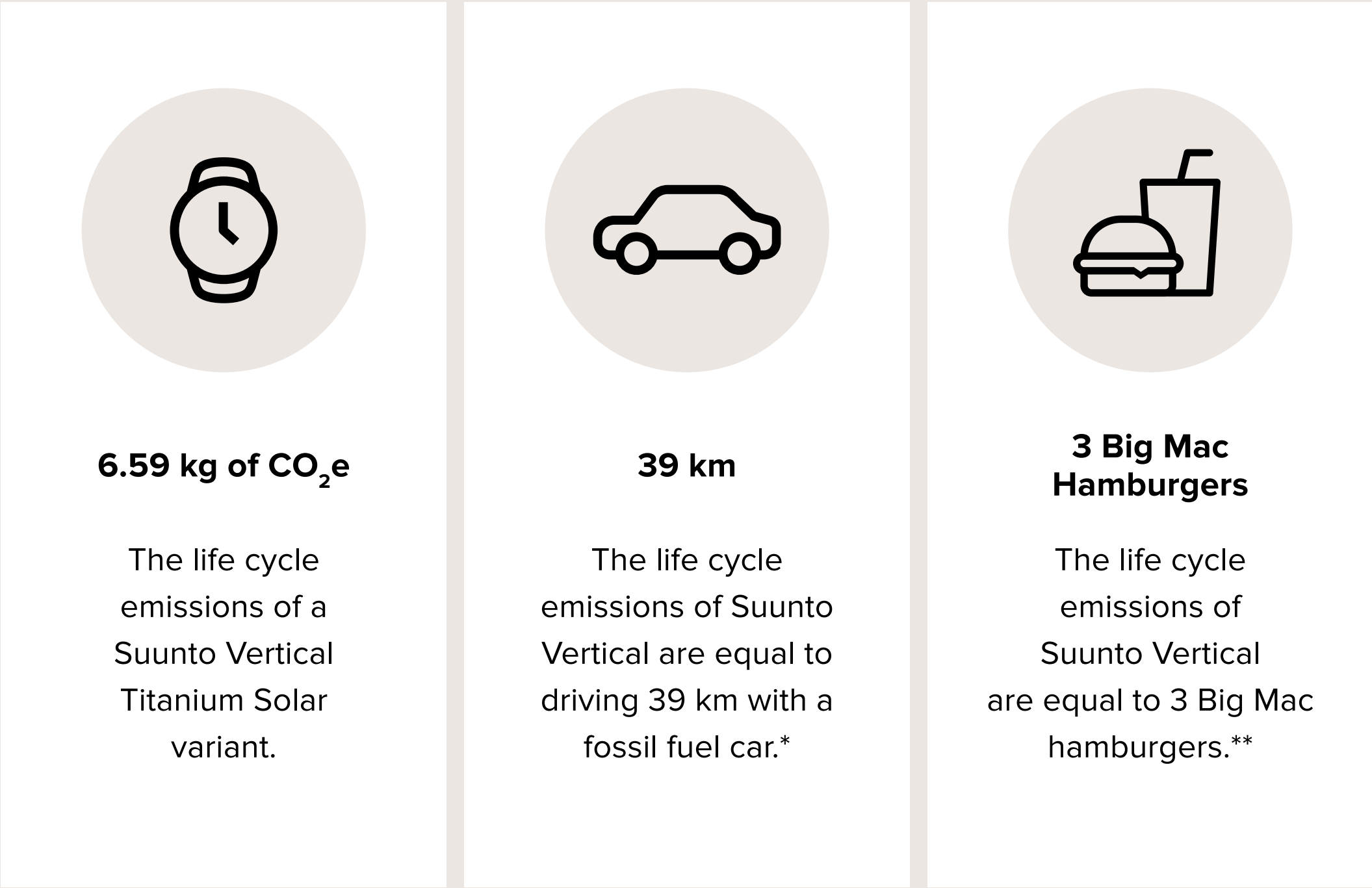
All the LCAs of our products are conducted by an environmental consultant according to GHG Protocol’s Product Life Cycle Accounting and Reporting standard and are verified by a third party, in accordance with ISO 14025 and ISO 14040/14044. In 2023 we conducted cradle to grave life cycle assessments of our two new watch models Suunto Vertical and Suunto Race with steel and titani-

um variants. One of these calculations was done for the first time for a product manufactured in China, enabling comparison of emissions of products made in two different countries.

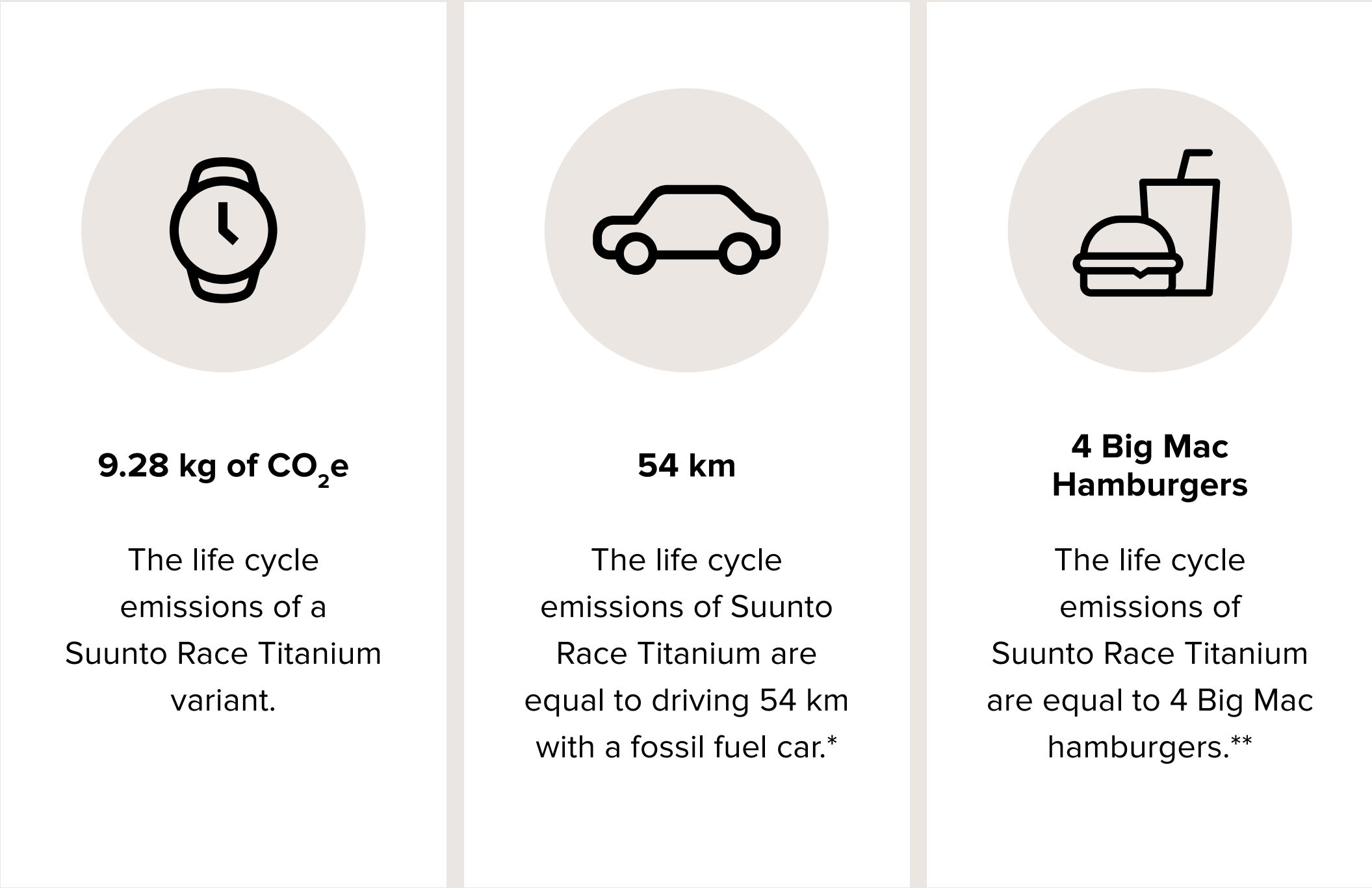
Based on the verified LCA calculation results, we offset all the lifetime emissions of Suunto 9 Peak, Suunto 9 Peak Pro, Suunto Vertical and Suunto Race watches. The offset is done by planting trees in a mangrove reforestation project in Southeast Africa via Tree-Nation. The project protects vulnerable habitats and biodiversity, at the same time

creating sustainable livelihoods for local communities. Tree-Nation is an internationally recognized non-profit dedicated to reforesting the world and a partner of the United Nations Environment Programme (UNEP). In 2023, we offset a total of 933.6 tCO₂e with Verified Carbon Units and planted 18 686 trees through this project. Offsetting continues in 2024, as we aim to initiate a life cycle analysis for all new watch models we bring to the market. We also plan to conduct life cycle assessments of our other products, including headphones and compasses in the future.

Suunto Vertical’s carbon footprint



Suunto Race’s carbon footprint



We offset the lifetime emissions of each Suunto Vertical and Race with Verified Carbon Units (Verra) in a certified reforestation project via Tree-Nation.***

* www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023
** 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 wellbeing of our employees, we attract and retain the best talent and enable the continuity of our business.

The year 2023 was a year of big adjustments for Suunto. Due to the change in the company's ownership in 2022, Suunto started to implement its own people processes in various areas such as performance and talent management. Furthermore, we aligned our processes and ways of working with the new owner. In 2023 Suunto employees in various departments collaborated regularly with colleagues in China and started to establish cross-country teams. There has been progress in understanding cultural variations and aligning the different ways of working. However, we acknowledge that the journey in becoming one Suunto team is still ongoing, and we will continue our efforts in this regard.

In 2023 we continued to work in a hybrid model, allowing employees to work where they feel most effective, either at the office or somewhere else. Many employees based in the headquarters

in Finland tend to come to the office two to three times per week and use those days for face-to-face meetings, common lunches, and networking with colleagues. We offer flexible working hours which allow our employees to balance work and private life.

We also continued monitoring the wellbeing of our employees by conducting an Employee Pulse Surveys. **According to the latest survey in Q2 2023, 59% of respondents agreed or strongly agreed with the statement "I feel Suunto takes good care of my wellbeing at work" and 62% with the statement "I have a good work-life balance".** The job satisfaction rates regarding these statements have remained on comparable level to the survey conducted in the end of 2022. There is a slight decline on the rating of good work-life balance which may be impacted by the ongoing changes in our business and ways of working.

As it is quite common in the technology sector, the majority of Suunto's personnel in 2023 were male (66% of the workforce). 34% of our employees were female. Compared to 2022 we can see a modest growth in the female representation.

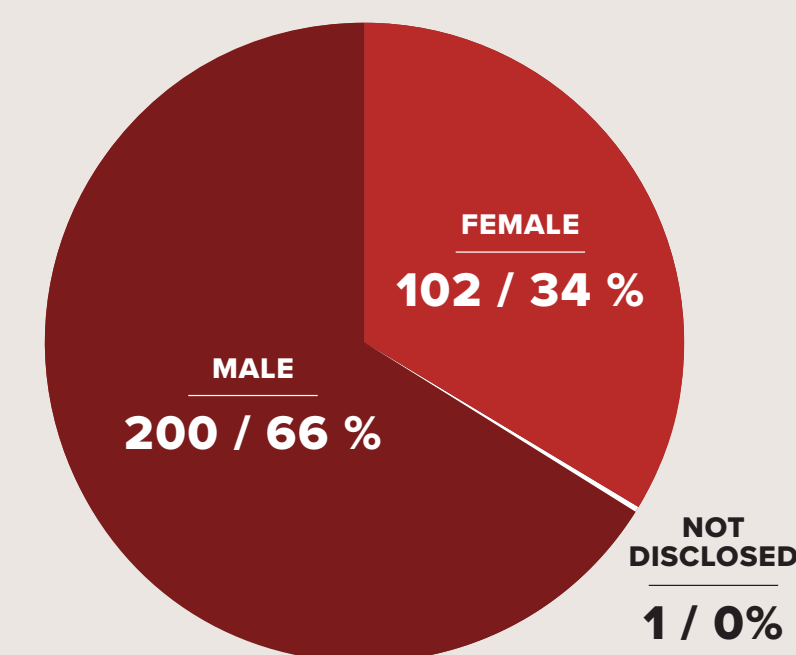
Also, in 2023 of the 41 manager positions, 44% were filled by women while 54% were filled by males. The remaining 2% did not disclose their gender in our HRIS system. In 2023 our female leadership grew by 6% compared to the previous year. Suunto's eight-person strong Leadership team was comprised of five men (62.5%) and three women (37.5%).

We maintain and develop a culture where everyone is welcomed and valued for who they are. To promote diversity and equality, we added in our HRIS system's gender category the options "other" and "I prefer not to respond".

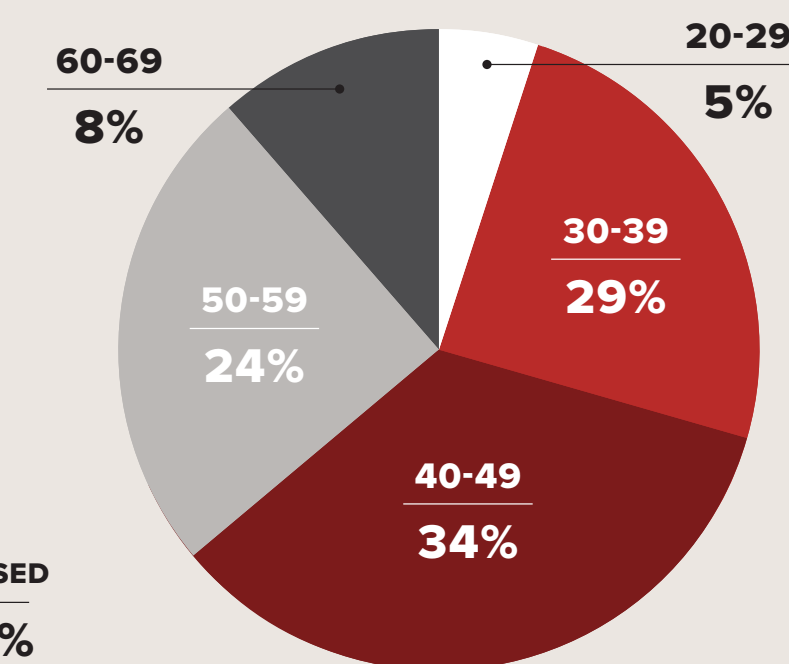


PERSONNEL (31 DEC 2023)

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 working environment.

We have an Occupational Health & Safety Manager (Senior Quality Manager) and we have a process of health and safety cooperation, which involves selecting occupational safety representatives for both office and factory workers in bi-annual elections.

We train employees on emergency situations and maintain a rescue plan. Occupational safety was maintained through regular trainings, and monthly safety walks in 2023. Also some wellbeing activities and one targeted wellbeing coaching group were organized for our employees.

We report near-miss-situations and work accidents. In 2023, we had a total of six accidents in Finland. All accidents happened outside of Suunto premises and were classified as falls. Two of these happened while travelling from home to office

and four of these happened while testing Suunto products during working time in different sport activities.

We manage chemicals safety - regulatory updates, people responsible for chemicals usage and safety data sheets - with the help of Ecobio manager service.



5.3 DIVERSITY, EQUITY AND INCLUSION

At Suunto we build and promote a culture that is inclusive for everyone. We encourage all people with the right competencies and skills to join the Suunto family, regardless of their race, religion, caste, age, nationality, social group or ethnic origin, sexual orientation, gender, family responsibilities, marital status, membership in employees' organizations including unions, political affiliation or opinion or disability.

We are working to build more diverse teams to drive innovation and business growth. The more diverse our teams, the better we can develop innovative solutions for our customers' current and future adventures.

Our onboarding program proudly encourages new members to embrace their true selves. We emphasize that we do not tolerate harassment, hurtful comments, or exclusion within or outside of Suunto. We are also ready to act in case of an occurrence.

Suunto's official working language is English, thus the Finnish language is not a requirement in most office positions. At Suunto we employ

people of different nationalities. At the end of 2023 in Finland approximately 8.5% of employees were from outside of Finland. 1.5% of them had dual citizenship including the Finnish citizenship.

We can proudly state that our workforce based in Finland includes employees from Finland and 16 other nationalities: Algeria, Austria, China, Colombia, France, Germany, Greece, India, Ireland, Italy, Mexico, Romania, Russia, United Kingdom, United States, and Vietnam. The gender distribution for these 16 nationalities shows a nearly equal distribution of 47.8% females and 52.2% males.

Our workforce is even more diverse if we include people working for Suunto outside of Finland. Their nationalities are from: Austria, France, Germany, Italy, Poland, Spain, Switzerland, United Kingdom, Australia, Czech Republic, Hong Kong, Japan, Korea, Malaysia and United States.

We continued to work closely with our ambassadors to raise awareness of the importance

of diversity and inclusion in outdoor sports. In 2023, our ambassador team moved closer to a balanced gender split, yet there's still room for improvement to achieve true equality.

Together with our Design and Marketing teams we have defined principles and creative controls for product design, communications and

marketing materials related to DEI as this is of great interest and a requirement of some of our B2B clients.

While we had intended to conduct a DEI assessment in 2023, we were not able to allocate the necessary resources for it.



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 approved a new sustainability strategy in 2022 and as the main action under the social sustainability area is developing the procedures for responsible sourcing and supply chain monitoring. We have mapped our supply chain and identified the risks and impacts, and assessed the areas of direct control, leverage, and visibility.

The following policies, renewed in 2022-2023, some to be updated annually, set expectations to suppliers and a monitoring responsibility for us:

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

These policies include the main principles of all central international human rights and decent work conventions and environmental legislation. We also have a public whistleblowing channel to support transparency and enable anonymous grievances from any employee or stakeholder.

Our own factory in Finland manufactures majority of our products and is under our direct control, as well as follows the Finnish legislation being the most 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.

Until 2022 our suppliers belonged under our previous owner's (Amer Sports Group) supply chain monitoring and due diligence practices. Since 2022, Suunto Sustainability and Sourcing teams have been working together, creating a Supplier Requirements Declaration process, searching for an external supply chain monitoring partner and identifying the prioritized group of suppliers. We are doing a geographical risk-assessment of the major production/

sourcing locations which is updated annually. A vast majority of the components used globally have their origins in China; therefore, we have decided to focus our supply chain due diligence efforts first on the strategic tier 1 suppliers in China.

During 2023 we got the Supplier requirements signed by the first group of suppliers selected for the process. In the second half of 2023 we also joined the global sustainable supply chain organization Sedex whose tools and methods will help us in supplier monitoring and auditing.

In 2023 we were an active participant in the FIBS (Finnish Business and Society's) Human Rights and Business working group, where peer-learning and training was organized on current global supply chain topics. We also started preparations for the new EU Corporate Sustainability Reporting Directive, where identifying and reporting on supply chain impacts and work force will have a major focus.

While acknowledging the challenges in the supply chains of the electronics sector globally,

Suunto has some positives to help mitigating the risks. The first is Suunto's specialized product segment and high-end product offering that focuses more on quality and durability than low prices. Second is that we have traditionally had long trade-relations with many of the suppliers.

In the global electronics sector, it is challenging to create visibility beyond tier 1 and even more so, on the origins of raw materials (mines, smelters/refineries and wholesalers/traders) used in components, that in turn are used in the final products. To support developing more transparency in the minerals sector we are supporting initiatives such as the Responsible Minerals Initiative, RMI.

6 GOVERNANCE

6. GOVERNANCE

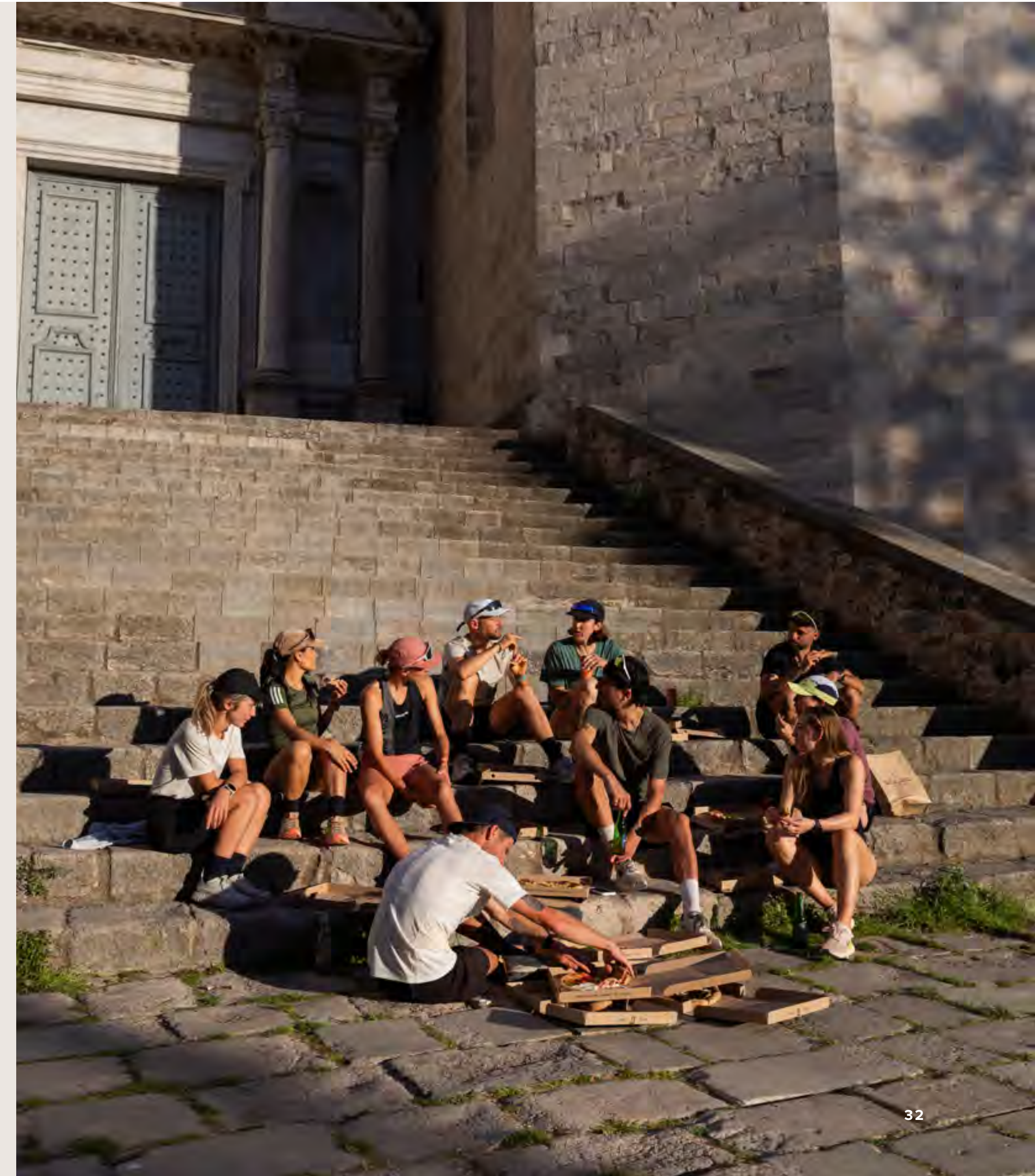
Suunto's management is committed to a responsible and compliant operating culture. Company's practices on good governance, alongside social and environmental responsibilities, form the basis for the long-term value creation and stable business operations, and hence are a prerequisite for success. Good governance is crucial in building trust and transparency among our customers and partners, end-users, employees and the wider public.

Suunto's heritage, strong brand and our stakeholders' trust are incredibly important to us. We are committed to operating ethically to maintain these assets. 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 the policies were renewed in 2022 and updated in 2023.

All our new employees are required to familiarize with the central company policies as part of their onboarding process. This is

to ensure a shared understanding of our values and ethical principles from the basic rights at work to anti-corruption and non-discrimination.

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



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 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 on anything that is 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 was set up in 2022. The whistleblowing service is offered by an external service provider and 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. In 2022 and 2023 no cases of misconduct were reported through the channel.

DIGITAL RESPONSIBILITY

In 2023, our commitment to digital responsibility has been among the central strategic initiatives. The update of our Privacy Playbook and Privacy Notice were among the practical steps taken to promote secure data practices. The Privacy Playbook is an internal guidance document that is designed to empower our employees to integrate best practices in data privacy into their daily work. It is required for every employee to familiarize with the data privacy documents.

Our Code of Conduct underscores our commitment to protecting consumer data. We respect the privacy of our consumers and ensure that their personal information is handled with the utmost confidentiality. Adhering strictly to privacy laws, we guarantee that consumer data is

not repurposed beyond its original intent and is only used for the original purpose.

We wish to demonstrate how our core values translate into concrete actions, fostering a se-

cure and respectful digital environment. This not only safeguards our customers' data but also aligns with our broader goal of promoting digital responsibility in every aspect of our business.



7 CHALLENGES AND AREAS OF IMPROVEMENT

7. CHALLENGES AND AREAS OF IMPROVEMENT

Environmental and social sustainability topics have risen to the public awareness, and we have also seen growing interest in the sustainability aspects of our business from different stakeholders. This shows as changing legislative requirements and increased information needs from the authorities, clients and journalists visiting us. Suunto wishes to serve all its stakeholders by providing information and support their sustainability work, alongside its own.

For a company manufacturing electronics, the areas to improve the environmental or social sustainability are numerous, from climate emissions to raw materials to circularity and supply chain human rights due diligence. Lot of work is required to do background research on each specific impact area, identifying the most material issues and prioritizing biggest impacts – and to assess these throughout the value chain. The large variety of impacts and the time needed to make improvements puts strain on the available resources on sustainability.

In 2023 we continued life cycle assessments for new products, including a LCA done first time

for a product manufactured in China and being able to compare emissions of products made in two different countries. The LCAs have been a valuable tool to understand the linkages between different raw materials, detailed product structures and environmental impacts, and communicating this info both internally and externally.

Although doing research on the environmental impacts on raw materials and possible benefits of some eco materials, we were not able to progress on introducing new or recycled materials into our products. This is challenging due to the long sourcing and product development schedules for any new product plus our very high-quality requirements due to the durability and safety standards for our products. These factors and the complexity of our products makes it harder, in our view, to introduce eco-innovations into electronics compared to for example clothing or apparel.

Although we are very proud of being able to reduce the emissions of our own operations in Finland by using only renewable



energy in our headquarters and factory, we are aware that most of the emissions related to our products are created prior to us in the supply chain. For 2023, we expanded our annual emissions reporting by assessing the emission sources throughout our value chain (Scope 3 assessment). This allowed us to include additional emission categories and calculate the major sources of value chain emissions for the first time. The next challenge is to be able to reduce the emissions that are not created directly by us or own operations.

Another area, where progress was made, albeit slow, was the creation of the documents and processes for the supplier requirements and supply chain monitoring. Changes in the organization, staff roles and responsibilities related to sourcing caused delays in implementing the supply chain monitoring activities. A company needs relatively stable supplier portfolio over time and staff handling the requirements with the suppliers – this can be difficult to maintain in today’s fast-paced business, and even more so in the electronics sector. Despite of the delays, we were successful in finalizing the approval of the ethical and environmental requirements with the

most strategic suppliers, covering most of our annual purchases from outside of Europe. The membership in Sedex, that we were also able to complete in 2023 will help us in the basic supply chain monitoring but also with the audits in future.

One goal for us has been creating new numerical impact indicators and targets for the current sustainability strategy period. This has been challenging due to the background research needed first on some impact areas (especially on specific environmental topics) and major organizational changes occurring in the past few years. In 2023 it was already evident that we need to start preparing for the EU Corporate Sustainability Reporting Directive (EUCSRD) and that a thorough materiality assessment (including risk and impact assessment throughout the company’s value chain) is required as part of it. This will lead to an updated list of material sustainability impacts and a renewed data collection and reporting system. Hence it was decided to postpone the selection of any new indicators and wait for the finalization of the preparatory processes for the EUCSRD in 2024.





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