

SUSTAINABLE BUSINESS STRATEGY



Eurosko Norge AS
2016 - 2020



➤ SUSTAINABLE BUSINESS STRATEGY

The purpose of Euro Sko Norge AS Sustainable Business Strategy is that our operations are run in a way that is economically, socially and environmentally sustainable. The strategy forms the foundation of our company's ethical and environmental commitment and is based on our Code of Conduct and the membership obligation of the Ethical Trading Initiative Norway.

The United Nations Guiding Principles on Business and Human Rights define our responsibility as a business to respect human rights through:

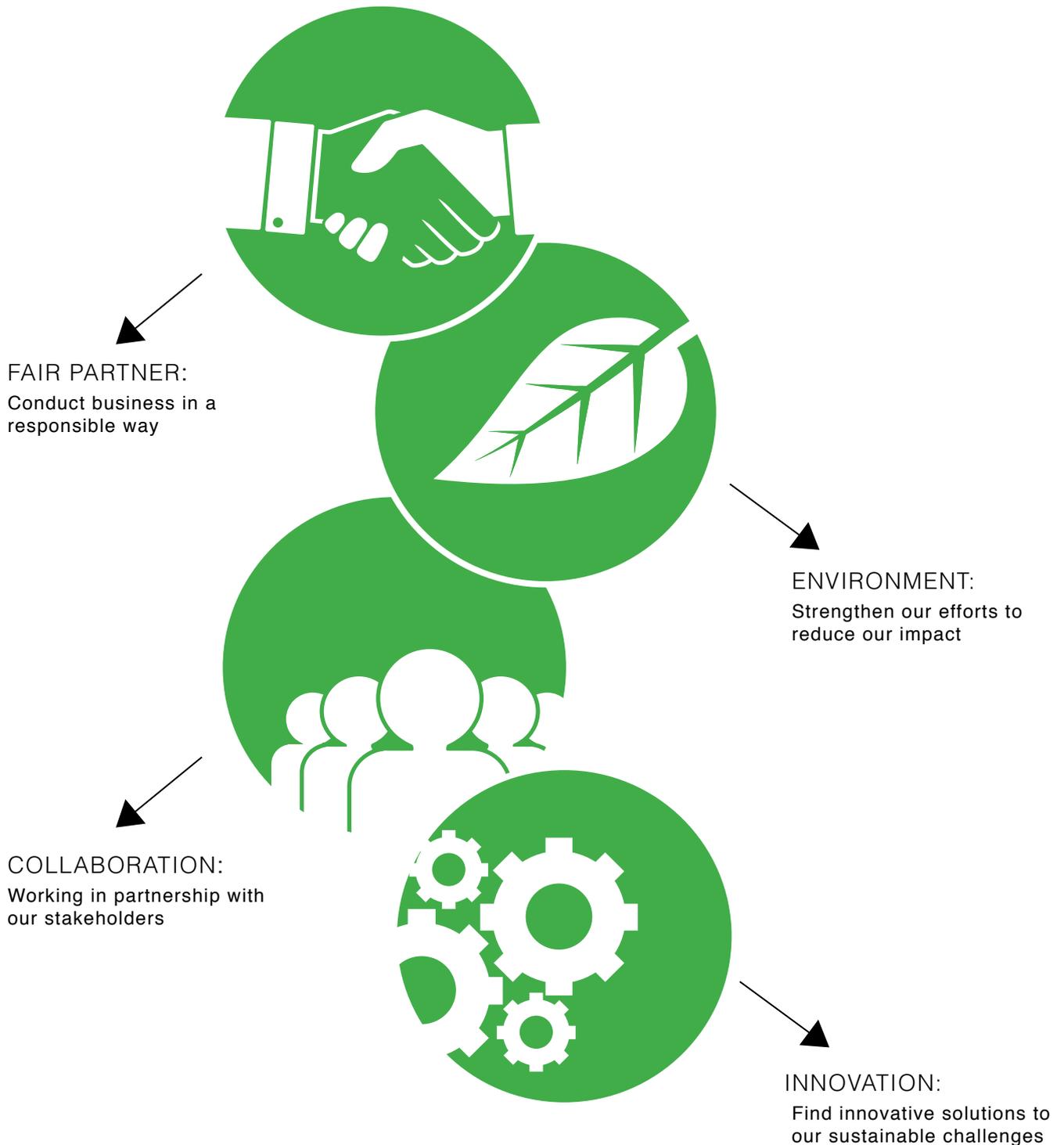
1. Avoid causing or contributing to adverse human rights impacts through our own activities, and address such impacts when they occur.
2. Seek to prevent or mitigate adverse human rights impacts that are directly linked to our operations, products or services by their business relationships, even if we have not contributed to those impacts.

Our commitment to corporate social responsibility will lead to an enhanced reputation, more cost-effective, improved risk management, innovation and increase competitiveness. Our Corporate Social Responsibility approach is based on our vision, core business, stakeholders' expectations as well as our core values and company culture. Every area of our business is responsible for ensuring that appropriate processes and controls are in place to deliver, monitor and report against our commitments.

We believe trust is established and maintained by doing business in the right way, we want to be recognized as a leader on transparency in the shoe industry.

➤ Euro Sko Norges vision is to develop a sustainable business model that addresses the social and environmental challenges of the footwear industry.

By 2020 we will be the leading Scandinavian footwear retailer in sustainable business practices. To reach this goal, we will focus our efforts on the following four pillars :



➤ FAIR PARTNER



We will conduct business in a responsible way, which means we aim to be a fair partner to our suppliers and partners.

We expect our suppliers to deliver on time, quality, price and believe that though optimizing our supplier portfolio we will continue to ensure high standards. Not only related to product but also to improvements of working conditions.

We will continue to collaborate with our suppliers to increase their social and environmental performance through providing capacity building and support.

RESPONSIBLE SOURCING: Risk management of the supplier portfolio

SUPPLIER PERFORMANCE PROGRAM: Provide development offices with a CSR management program to strengthen their capabilities to support good working conditions in the production facilities.

SUSTAINABLE PURCHASING PRACTICES: We need to mitigate risk in our supply chain and build the awareness and capability of our own marketing, commercial and sourcing department, enabling them to make responsible sourcing decisions. It is essential that we improve our purchasing practices in order to ensure that they do not undermine, but support improvement of working conditions.

➤ ENVIRONMENT



The consequences of our excessive use of the planet's resources are becoming more evident every day.

Communities in our supply chain are threatened by local pollution, chemically infested water sources, deforestation and extreme weather, which all are causes for climate change.

The footwear supply chain has many processes that can harm local environments and we have to do our utmost to mitigate these problems. We will continue to strengthen our efforts to reduce our impact by:

CHEMICAL USE: Continue to reduce the use of hazardous chemicals in production and final product, and work to phase out harmful substances.

TANNERIES: Map out tanneries supplying leather for our brands, carry out due diligence, identify the issues, and put them in system to reduce pollution, exposure to hazardous chemicals and improve working conditions.

CLIMATE SMART: Search for packaging ideas with holistic solutions, with innovative and long-term measurable advancements toward sustainability. Optimize transportation and reduce emission.

➤ COLLABORATION



Ensuring actual improvements of working conditions and reducing our environmental impact is something we cannot do alone.

We are dependent on collaborative efforts with our stakeholders throughout the supply chain to make progress of larger scale with lasting impact for the workers producing our products. We see great opportunity in driving positive change through collaborating with our competitors on the social and environmental challenges we all face in our supply chains.

Listening, learning, responding and working in partnership is an important part of how we do business. We will continue looking for opportunities and be inspired by others sustainable performance!

CSR NETWORK: Be an active member and lead the Scandinavian shoe industry network forward, make positive change and collaborate on sustainability!

STAKEHOLDER ENGAGEMENT: Social dialogue with our partners on policies and activities. Set up an advisory group made up of our key stakeholders with the aim to get critical and constructive input on our work.

COMMUNICATION: We will continue to strive for transparency about our performance, ambitions and strategies.

➤ INNOVATION



The development of a shoe is a complex process that requires a range of input factors and large investments. The process of developing products that not only deliver on price and quality, but also perform on social and environmental criteria is an area we will strengthen our efforts.

To deliver on this we will have to increase our investment in innovation and knowledge. Our product developers, buyers, footwear technicians and suppliers will facilitate dialogue, engagement and actively be involved in finding innovative solutions to our sustainability challenges.

OUR BRANDS: Product development - source innovative qualities and techniques.

PRODUCTION PROCESS: Find innovative and sustainable solutions.

➤ GOVERNANCE:

We have a robust governance framework in place for the Sustainable Business Strategy. This ensures effective oversight and decision-making about strategy, performance, responsibility and accountability.

THE BOARD AND CEO is updated on the Performance Overview based on the SBS at least once a year and throughout the year when needed. Update includes: Risk profile on key social and environmental challenges in the supply chain related to our brands and operations. The Board and CEO is responsible for ensuring the overall delivery of the SBS, through progress overviews and ensuring sufficient resource allocation.

THE DIRECTOR OF MARKETING AND DEVELOPMENT Johan Storvik is continually updated throughout the year on the Performance Overviews and budget. The Performance Overview is an active document; “work-in-progress” record on goal and issues toward a sustainable supply chain. The information is base for the annual CSR report/presentation to the Board, presenting commitments and efforts on implementation of our vision. Issues presented include: Who follows up and is responsible for implementation, timeline, closed goals and priorities.

The Director of Marketing and Development supports the Head of CSR to ensure buyers, merchandisers, development office and other relevant departments deliver on the SBS.

THE HEAD OF CSR is responsible for the overall implementation and delivery of the SBS. Reports to the Marketing and Development Director on a day-to-day basis.

DEVELOPMENT OFFICE in Portugal is an integrated part of our worldwide procurement. Continuously throughout the year they follow up suppliers, risk assess and report in cooperation with the CSR department.

LINE BUILDER/DESIGNER is responsible for implementation of Performance Overview issues assigned. Update CSR dept during Buyers-meeting on the Performance Overviews and vice versa. Responsible for reporting on social and environments breaches in our supply chain; such as health & safety, workers welfare, first aid, evacuation plan, fire safety and chemicals.

PRODUCT MERCHANDISERS communicate and report to the CSR dept. when needed. Updated on CSR issues during department-meetings once a month.

SHOPKEEPERS are informed about the progress once a year at BLK
Key point: Take local ownership of their responsibilities.



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