

Biodiversity Policy

All steps in Clas Ohlson's value chain affect the nature and the major impact can be related to the raw material used to make our products. It is well known that there is a link between nature, biodiversity and business and according to World Economic Forum, biodiversity loss is the 4th biggest risk that businesses will face over a 10-year period.

Our ambition

Clas Ohlson's work with sustainability in other areas is already helping nature and biodiversity. This is done through our ambition to become a circular business as well as our *Material sourcing policy* which aims to source material in a sustainable way. We also work actively to reduce emissions in our value chain to become climate neutral and continuously strengthen our chemical restrictions towards safer chemistry which also helps to preserve biodiversity.

Our ambition is to have a net zero impact on biodiversity by;

- Continue to work to reduce and prevent our overall impact on biodiversity and ecosystem affected by our value chain.
- Support restoration and protection of nature and biodiversity in line with scientific facts.

We have started to map our impact on biodiversity and will evaluate how to broaden the mapping to include a major part of the value chain. The result of those findings will be used to set science-based targets for biodiversity.

Material Sourcing Policy

This Material Sourcing Policy is complementary to our Code of Conduct.

A large part of material used in Clas Ohlson's products comes from natural sources. Natural resources are limited and there is an increased global pressure on nature which affects the health of nature's ecosystem as well as the availability of natural resources associated with livelihood and wellbeing of people.

Clas Ohlson is committed to sourcing raw materials in a sustainable way to minimize negative impact on nature and materials must not originate from vulnerable or endangered species.

We aim to reduce our overall dependence on virgin natural resources and increase the use of recycled and renewable material. We are committed to making sure that all materials are sourced in a responsible way.

Clas Ohlson shall always stay curious and explore different material solutions both when it comes to the products as well as the packaging. We will always evaluate different materials and promote innovative alternatives while withstanding our high-quality profile and keep the whole life cycle of the product in mind.

Our efforts on raw materials will contribute to reach our goal to become climate neutral and circular by 2045.

Forest material

Forests cover approximately 30% of the world's land area. These vital ecosystems with varied habitats are home to most species living on land.

Materials from forest are used in many of Clas Ohlson's products such as toys, photo frames, furniture, tissue paper, notebooks, tableware etc. To contribute to reduce deforestation and help preserve biodiversity, the following requirements are committed for Clas Ohlson's own branded products.

Clas Ohlson is committed to;

- All wood-based materials are sourced from responsible managed forests.
- Wood from endangered species is not used in Clas Ohlson's products.
- For all new products, we are committed to using only wood-based products that are recycled or certified by 3rd party (FSC, PEFC or other recognized certification). For products already in Clas Ohlson's assortment, certification shall be applied no later than 2028

- In addition, tissue paper shall be certified by the Nordic Swan or EU Ecolabel. However, reorder of products that already exist when this policy comes into force can still deviate from those requirements until replacement has been done but no later than 2028

For other forest material as natural rubber and other materials covered by EU Deforestation regulation, Clas Ohlson will set up and implement criteria for how to risk mitigate the use of those materials no later than June 2024 and this policy will be updated accordingly.

Textiles

Textile production has a big impact on the environment due to the large use of water and chemicals in the processes as well as release of microfibers during use and waste due to short product life cycle.

Textiles can be made from plant fibers, synthetic fibers or regenerated fibers (from cellulose). Clas Ohlson uses textile in many different product types for example apparel, toys, home textiles, outdoor products etc.

Clas Ohlson is committed to sourcing textiles in a responsible way with a life cycle perspective in focus. Textiles shall be made more durable, repairable, reusable and recyclable. Clean and recycled fibers are the priority.

In addition, we will secure that;

- Plant fibers, where cotton is the most common, are certified by 3rd party by 2025.
- Wood-based regenerated fibers are certified by 3rd party (FSC or other recognized certification) by 2025.
- We continue to promote recycled fibers and reduce the use of chemicals for synthetic fibers.

Metals

Metals are very important in our society and to be able to transform to a more sustainable future, reuse and recycling of metals must increase. Mining is associated both with environmental as well as CSR risks.

Different metals are used in many of Clas Ohlson's products, especially in electronics but also in other products where strength is important such as machines, tools, nails and screws.

Clas Ohlson is committed to;

- use more recycled metals and contribute to circular principles such as technical design, choice of additives etc.
- handle Conflict Minerals according to legislation

Plastics

Plastic has unique properties and is therefore used in many different product types. It is important to minimize the total use of plastic and reduce the use of plastic from fossil sources. Therefore, the use of recycled plastic and plastic from non-fossil sources must increase. At the same time, we also need to replace plastic with other material when it is possible, for example in packaging. We continuously monitor and evaluate our plastic usage and waste management practices to identify areas where we can improve and implement changes to reduce our impact.

Clas Ohlson is committed to;

- support the development and expand the use of alternative materials such as bio-based plastics.
- increase the use of recycled plastic for packaging to 50 per cent by 2030.
- ensure that all plastics used in packaging are recyclable.
- phase out PVC from packaging by 2024 and reduce the use of PVC in our products and only use when technically necessary.

Animal origin material & Animal testing

Clas Ohlson follows National and international legislation regarding animal welfare. Breeders and all parties handling the animals should adhere to their Five Freedoms defined by the EU Farm Animal Welfare Council/World Organization for Animal Health (OIE).

The five freedoms are:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury and disease
- Freedom to express normal behavior
- Freedom from fear and distress

Materials must not originate from vulnerable or endangered species.

Animal Hair & Wool

Only hair from living and domesticated animals is allowed, including but not limited to sheep, goat, alpaca, lama, camel, cow, buffalo, yak, horse and pig. Hair and wool must not originate from animals that have been handled, harvested or sheared in a way that harmed the animals.



Mulesing

Wool must not originate from sheep that have been subject to mulesing or from farms which practice mulesing.

Down and feathers

Down and feathers must originate from slaughtered birds bred for meat production. Down and feathers must not originate from farms practicing live plucking or force feeding.

Leather/skin

Leather and skin must originate from animals bred for meat production. Leather or skin must not originate from aborted animals, including but not limited to astrakhan, broadtail, krimmer, karakul, Persian lamb, slink or swakara.

Animal testing

Clas Ohlson's products must not be tested on animals, either during production or as finished products.