## Impact & Responsibility Report 2022

PAS NORMAL STUDIOS®

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### Introduction

We have a responsibility to promote our sport towards more sustainable norms.

As a brand creating high-performance cycling apparel, our social and environmental impact is complex and far-reaching. We are focussed on creating solutions to these urgent challenges, and ultimately transitioning into a more equitable, open and responsible organisation. We also recognize our role in creating a lasting and meaningful improvement for the communities we interact with.

We are constantly working to quantify and improve our social and environmental impact, which will help us communicate transparently, hold ourselves accountable to our targets, and make better decisions in the future. With new regulations and increasing standards across the industry, making more responsible business decisions is becoming a requirement for everyone in the industry.

In the coming pages we share a snapshot of the work we have been doing, alongside our goals, aligned with our longer-term vision for where we see ourselves in 2030.

AS NORMA

To learn more about our Impact, visit our Impact Universe

PROGRESS ON OUR STRATEGY AND GOALS

## **Strategic Priorities**

We have defined six strategic priorities, first published in our Impact & Responsibility Strategy Document. We set a short- and long term vision for each priority to ensure accountability as well as the ability to measure our progress. At the same time, we will certainly learn new things throughout our journey and recognise that some priorities will require adjustments over time as we develop the breadth and depth of our knowledge.

## Strategic priorities

### 01.

### **Progress on our strategy and goals**

Our first strategic priority is to be abundantly clear about what we aim to achieve as a company when it comes to sustainability. A head-on approach to these challenges will create opportunity and innovation for the benefit of the environment and the people we work with.

### 02.

### Measure our environmental impact and strategise its reduction

Our second priority is to continuously measure our company footprint and identify hotspots and focus areas to reduce our impact. With most of our environmental impact created within our supply chains, we have a responsibility to collaborate and act alongside our partners.

### 04.

### Implement product circularity initiatives

Our fourth priority is to integrate circularity into our business models and product development to reduce resource demand. We will offer extended services alongside our products (including reselling and repair), and continue to preference the least environmentally impactful materials

### 05.

### Initiate meaningful social responsibility initiatives

Our fifth priority is to use the power of cycling to drive change in the world and improve the quality of people's lives, physically and mentally. We partner with organisations around the world to make this happen, including charities in Colombia and cycling clubs in Lithuania.

### 03.

#### Continue to raise the standards within our value chain

The third priority is to ensure the highest standards are maintained within our supply chain by contractually agreeing on standards with our partners and co-developing improvements.

### 06.

### Improve communication and transparency about our operations and impact

Our sixth priority is to create transparency in our operations and have clear communication about our progress. We will share our aims, progress and experiences openly, alongside full transparency down to the product level.

## **Goals & Visions**

Our goals for 2025 align with our commitment to continue developing into a progressive and industry-leading organisation when it comes to measuring and reducing impact, setting goals, and improving transparency. We are continuously learning and developing processes with regards to sustainability, and we will improve our approach and ambition as we progress. As we grow as a company, our footprint - and responsibility - grows, too.

As part of this, we have outlined 6 key goals for 2025, tied in to our 2030 vision and commitment.

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## Goals & Vision

	By 2025	Ву 2030
Progress on our strategy and goals	We aim to have full transparency on our social and environmental impact and be clear on the effects of each decision we make: we integrate sustainability into every aspect of the organisation.	We lead the way in our industry; leading with pioneering solutions (in line with the 'Pas Normal' DNA) and reaching our own ambitious goals.
Measure our environmental impact and strategise its reduction	We aim to be fully aligned to the 'Business Ambition for 1.5°C', and be among the top 20% apparel businesses on all Sustainable Apparel Coalition benchmark items.	We reduce our Scope 1 and Scope 2 emissions in line with the Science Based Targets initiative (42% absolute reduction from 2020 base year). Beyond the SBTi, we commit to reducing our Scope 3 intensity year on year towards 2030.
Continue to raise the standards within our value chain	We aim to have a fully comprehensive and transparent overview of our suppliers' social and environmental performance, working systematically to improve our joint operations and standards.	We co-invest with our supply chain partners to improve working conditions, fund social value projects, improve environmental performance and develop the regions within our network.
Implement product circularity initiatives	We aim to be pushing the boundaries for circularity in the cycling industry by offering innovative solutions to the circular economy.	We are frontrunners on product circularity and have implemented at least 5 concrete initiatives to extend the product lifetime.
Initiate meaningful social responsibility initiatives	We aim to have launched a number of meaningful projects around the world in line with our purpose. The initiatives will be aimed at giving back to the communities that support our network.	We have established the PAS Foundation to distribute financial means to relevant cases. In parallel, we use our International Cycling Club as a vehicle to raise awareness and inspire people to explore what cycling can do for them.
Improve communication and transparency about our operations and impact	We aim to publish an annual sustainability report, highlighting our aims and progress, alongside a diverse and transparent online hub for all of our environmental and social impact developments.	We provide a fully transparent overview to our consumers of the environmental impact of each of our products.



## **Environmental Footprint**

As a company designing and producing sportswear, our environmental footprint is a key metric for us. Measuring and reducing our environmental impact requires a combination of supply chain transparency, industry-leading collaborations and purpose-driven initiatives.

### BY 2025

We aim to be fully aligned to the 'Business Ambition for 1.5°C', and be among the top 20% apparel businesses on all Sustainable Apparel Coalition benchmark items.

### BY 2030

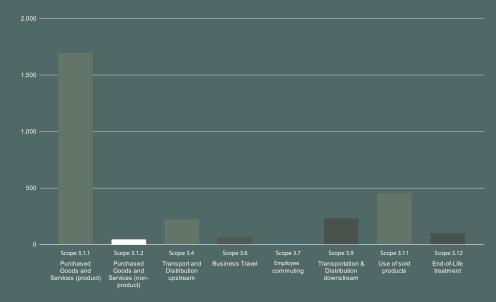
We reduce our Scope 1 and Scope 2 emissions in line with the Science Based Targets initiative (42% absolute reduction from 2020 base year). Beyond the SBTi, we commit to reducing our Scope 3 intensity year on year towards 2030.

## **Our Footprint**

We understand greenhouse gas (GHG) emissions are not the only impact we create, but they are a great way to understand our hotspots, and are used across the industry to benchmark environmental impact.

As with most outdoor & sportswear brands, most of our impact comes from Scope 3 activity with the remaining impact created in Scope 1 & 2. Scope 3 impact is created from the items we design, which are then manufactured by our partners.

Within Scope 3, 43% of the GHG emissions are derived from the raw materials, with 14% coming from the conversion of raw materials in the functional fabrics.



Breakdown of Scope 3 Greenhouse Gas Emissions 2022

### SCOPE 1



0.6% 17.3tCo<sup>2</sup>e

0.2% 7.8tCo<sup>2</sup>e 99.1

99.1% 2819.1tCo<sup>2</sup>e

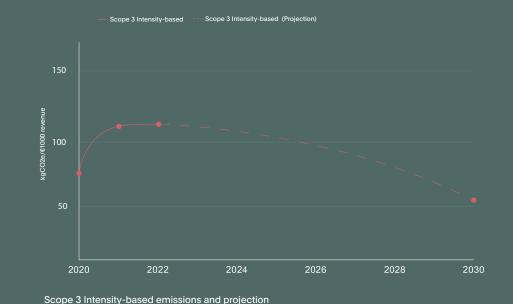
SCOPE 3

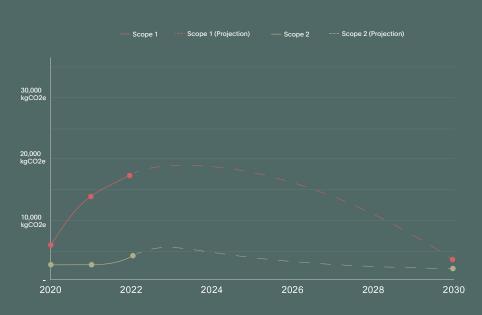
## Science Based Targets Initiative

Having calculated our GHG emissions for the past 3 years, we have used these numbers to set science-based reduction targets. This has been achieved through commitment to the Science Based Targets Initiative (SBTi) which certifies goals aligned with science.

We have formally committed to reduce our absolute scope 1 and scope 2 GHG emissions 42% by 2030 from a 2020 base year, and to measure and reduce our scope 3 emissions.

As of 2021 we have started work on reducing our absolute scope 1 & 2 emissions through a series of initiatives and have fully measured our scope 3 emissions. We are therefore beginning to reduce our GHG intensity to align with more ambitious goals.





Scope 1 & 2 emissions and projection

## **Our Stores and Office**

We have 5 flagship stores around the world. They are crafted in line with Pas Normal Studios DNA but with individual characteristics to utilise local resources. Our stores are being transitioned to renewable energy where possible.

Copenhagen - 100% Renewable Electricity

Mallorca - 100% Renewable Electricity

San Francisco - In transition to 100% Renewable Electricity

Seoul - Evaluating possibilities to move towards renewable Electricity

Taipei - Not currently available

Our new headquarters in Copenhagen is supplied by 100% renewable electricity and we are transitioning to a leasing model for our office furniture.



## **Our Value Chain**

Our manufacturing and material partners form the supply chain of our items. Each item has a unique journey, with every step involving different people and processes. All products flow through several tiers of the supply chain before reaching our stores.

### BY 2025

We aim to have a fully comprehensive and transparent overview of our suppliers' social and environmental performance, working systematically to improve our joint operations and standards.

### BY 2030

We co-invest with our supply chain partners to improve working conditions, fund social value projects, improve environmental performance and develop the regions within our network.

# Sustainable Apparel Coalition and The Higg Index



The Sustainable Apparel Coalition (SAC) is a global, multi-stakeholder non-profit alliance for the fashion industry.

It consists of over 250 leading apparel, footwear and textile brands, retailers, suppliers, service providers, trade associations, non-profits, NGOs, and academic institutions working to reduce environmental impact and promote social justice throughout the global value chain.



The Higg Index is a suite of tools designed to help organisations measure and evaluate the social and environmental impact of their supply chain and activities.

In 2022 we used the Higg Index to measure our product range. This enables us to identify hotspots in the impact of products and design them to be less environmentally impactful. It also plays a major role in measuring our scope 3 emissions as a company.

## Supply Chain Transparency

Part of our mission is to hold ourselves accountable for the decisions we make. Enabling transparent supply chains is one way in which we can ensure our partners are working in a safe, fair and open manner. Frank S

In 2022 we published profiles of all our Tier 1 partners online. In 2023 we added several Tier 2 partners to our website. We also uploaded our Tier 1 data to the <u>Open Supply Hub</u>. In 2023 we are working to increase the number of profiles for our Tier 2 partners to further enable transparency and openness.

# Certifications and Standards

We work with a wide range of materials from across the globe. To ensure quality and accountability, many of the materials and partners use certifications.

The certifications and standards are internationally recognized and designed to instil confidence and consistency within the industry.



28.9% of products in 2022 were made in Bluesign certified facilities.



32.8% of products in 2022 were made in facilities using HIGG FEM,



100% of the cotton used in our casual line in 2022 was GOTS certified.



100% of paper-based packaging we used in 2022 was FSC certified



## Supply Chain Partner Code of Conduct

We believe in an honest and fair business, with all employees treated equally.

Our Code of Conduct is an outline of our expectations of our partners. As an international brand, we expect our partners to follow all local laws and regulations. We build relationships with our suppliers through trust and communication. The Code of Conduct is a way of ensuring our partners have a clear understanding of what we ask for in a partnership

In 2022 the Code of Conduct was signed by 100% of our Tier 1 partners and we are now working toward ensuring all our Tier 2 partners are also aligned with our standards.

## Packaging

Due to its complex role and important responsibility, our packaging is constantly under review. It is often being updated and optimised to find the most appropriate solution to both e-commerce and instore packaging.

### PRIMARY PACKAGING

Our clear plastic bags protect the products, reducing the likelihood of damage. The bags are currently made of plastic, but we are working to shift to primary packaging made completely from renewable resources.

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### SECONDARY PACKAGING

Our secondary packaging consists of both cardboard boxes and paper bags for optimal efficiency. Our boxes and bags are made from FSC certified paper and can be reused and recycled.

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### S NO TAPE

The tape we use is made of paper. It is responsibly sourced, fully recyclable, and biodegradable.

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## **Product Circularity**

Most of the apparel industry is built upon the linear 'take-make-dispose' model. In contrast, the circular model redefines growth and focuses on the re-circulation of materials.

### BY 2025

We aim to be pushing the boundaries for circularity in the cycling industry by offering innovative solutions to the circular economy.

### BY 2030

We are frontrunners on product circularity and have implemented at least 5 concrete initiatives to extend the product lifetime.

## **En Route**

In 2022, our main initiative to adopt more circular business models has been En Route. This dedicated pre-owned marketplace facilitates the reselling of items between users. The platform encourages reuse, repair and product longevity whilst reducing waste.

En Route is primarily for user-to-user exchanges, but it also enables us as a brand to make use of items traditionally of little value, such as warranty claims, crash replacement and photo samples. By partnering with local tailors, we are able to offer these items to users at a reduced price.

## **Recycled Materials**

Most of the environmental impact of our products comes from the initial extraction, growing and processing of the base materials, such as cotton and plastics. With a goal to reduce our greenhouse gas emissions and overall environmental impact, we are increasing our use of renewable and recycled materials.

One of the first steps we have taken is to transition to recycled polyester where possible. This has been achieved with great success in some of our key styles such as the Mechanism Jersey and Stow Away Gilet, with no detrimental effect on performance.

## **Care Guide**

One of the most impactful ways to reduce the environmental footprint of an item is to ensure it is cared for well, to ensure a long life. Our Care guide helps users identify some of the best ways to maintain items, including best practices for using, washing, and storing.



## **Repair Collaboration**

In 2022 we started to collaborate with local workshop Bui Bui Studio to revive and repair some items. Bui Bui are specialists when it comes to repair, and working with them means some items can be reused and resold.

In 2022 we ensure the repair of over €5000 of products, which were then sold on our reselling platform.

Mechanism

Mechanism

Mechanism

## **Social Responsibility**

As a global brand, we impact the lives of many communities. It is our duty to ensure we have a positive relationship with everyone we work with, whilst building the cycling community globally.

### BY 2025

We aim to have launched a number of meaningful projects around the world in line with our purpose. The initiatives will be aimed at giving back to the communities that support our network.

### BY 2030

We have established the PAS Foundation to distribute financial means to relevant cases. In parallel, we use our International Cycling Club as a vehicle to raise awareness and inspire people to explore what cycling can do for them.

## Who Made My Clothes?

Our community includes our entire supply chain. We are aware of the impact we have on people and families across the globe. To further increase transparency, we will be sharing stories from our supply chain, starting with the simple question "Who made my clothes?" inspired by Fashion Revolution. This movement is the world's largest fashion activism movement, mobilising citizens, industries, and policymakers through research, education, and advocacy work. We will be utilising their tools and research to improve our practices.

In 2022 we started introducing some of the people who work in our supply chain, and will increase the number of profiles online throughout 2023.

## **Supporting Local Cycling Teams**

We have partnered with Team NPV Carl Ras Roskilde Junior, one of the most successful junior programmes in recent years. The team will be riding in a custom Pas Normal Studios kit for 2023 and beyond. We are very proud to play a role in developing the next generation of cycling talents as they explore their potential both on and off the bike.

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## **Supporting Local Communities**

It can take several prototypes and samples to create a product that has all the necessary qualities of a Pas Normal Studios piece. These prototypes are sampled in alternative fabrics, colours, or dimensions to test and refine the design. This process leads to usable, highperforming garments which cannot be sold. We can use these garments to help grow and enable cycling in the communities we encounter.

We have partnered with several community initiatives over the past year including:

Funchaves Foundation - a Colombian charity working to get more children on bikes

VšĮ Dviratai Cycling Club - Located near one of our manufacturing partners in Lithuania, VšĮ Dviratai is working to create a cycling community for all ages and abilities.

We have also donated jackets, jumpers and coats to charities helping with the crisis in Ukraine, including Blue Cross Denmark

## Our HQ

Our headquarters in Copenhagen has been designed to ensure employees can not only work efficiently and comfortably but also train and recharge throughout their daily routine. The new HQ provides a training lab equipped with Wahoo training equipment, paired with natural light through Velux windows. The office space is light and filled with natural colours and materials, with flexible areas for agile working.

Situated in Nordhavn, the building is located close to some of the most popular roads and trails outside the city. Our flagship store on the ground floor of the site provides a hub for the community to ride and drink coffee.

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## Communication and Transparency

We believe transparency and communication are key drivers of a more sustainable industry. This is why we aim to publish the most current, accurate and relevant information possible, to ensure users and potential users can make informed decisions when looking at our items.

### BY 2025

We aim to publish an annual sustainability report, highlighting our aims and progress, alongside a diverse and transparent online hub for all of our environmental and social impact developments.

### BY 2030

We provide a fully transparent overview to our consumers of the environmental impact of each of our products.

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## Share our Environmental Impact

Each year we will be sharing our progress towards our social and environmental goals. This will be in the form of web pages and annual reports.

By reporting on our progress, we are holding ourselves accountable, whilst sharing our journey in the hope of inspiring others.

## **Online Communication**

In 2022 we created over 40 pages on our website dedicated to our impact. These pages touch upon many facets of our impact, and will be updated regularly to align with our initiatives and progress.

## Industry Dialogue - SAC Strategic Council

As members of the Sustainable Apparel Coalition (SAC) we are actively working with other brands to develop solutions to the industry's biggest challenges. The SAC is a global, multi-stakeholder non-profit alliance for the fashion industry.

We are Strategic Council Members for the Transparency program within the SAC, and play an active role in the development of tools and strategies within the coalition.

## **Open Methodology**

As part of our commitment to transparency and openness, we have shared our entire methodology for calculating our greenhouse gas footprint.

Our innovative approach to this challenge means we have a clear view of our environmental hotspots on a product level and on an organisational level.

By sharing our methodology, we hope to inspire others to start their journey, and raise the standard of the industry, when it comes to reducing environmental impacts.



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