

January 22, 2024

## **STORMTECH ESG Policy (Environmental, Social, and Governance)**

### **1. Introduction and Purpose**

At STORMTECH, we are fully committed to integrating Environmental, Social, and Governance (ESG) principles into our business strategy for value creation. This ESG Policy outlines our commitment to sustainability, covering environmental issues, social concerns, and governance practices.

We understand that our operations affect the environment, both directly and indirectly. Acknowledging global concerns, we promise to conduct business responsibly. This policy also outlines our expectations from suppliers, highlighting environmental responsibility, legal compliance, and a commitment to sustainability.

The objective of this policy is;

- To outline Stormtech's dedication to addressing environmental, social, and governance (ESG) issues within our company's business operations.
- To educate our employees about ESG issues and reinforce Stormtech's commitment to conducting business in environmentally sustainable and socially responsible ways.
- To encourage employees to actively participate in activities aimed at improving STORMTECH's environmental performance.
- To ensure compliance with the applicable ESG related laws and regulations.

### **2. Responsible Sourcing**

#### **2.1 Sustainable Sourcing practices**

We strive to obtain materials from suppliers who adhere to sustainable and environmentally friendly practices. This includes the responsibility for the use of resources, the reduction of water and energy consumption, and compliance with environmental regulations.

- STORMTECH's supply chain is based on strong, transparent, and trustworthy partnerships. Sustainable sourcing has become STORMTECH's primary priority and the area in the most need of continuous improvement. Over the past decade, we have identified the main area for action as sourcing for sustainable materials, and the primary objectives are transparency and traceability, supplier relationships and ethical purchasing practices.
- Our Ethical Sourcing Policy is designed to ensure that our global supply chain operates sustainably in compliance to all applicable laws governing issues such as child labor, forced labor, wages, benefits, working hours, harassment, health and safety and factory security.
- As a minimum, our suppliers must adhere to our own codes and policies, as well as all relevant local and international regulations.

## 2.2 Product Lifecycle Management

Since 1977, STORMTECH has created timeless high-quality functional designs for durability and longevity, and we design for minimum environmental impact care.

- We are heavily invested in sustainable product development to enhance the end-product lifespan through technical performance embedded in every design.
- The development of circular designs will continue to be explored to minimize the environmental impact of our products throughout their lifetime.
- We will continue to work towards extending the lifespan of our products, enhancing durability, and promoting responsible disposal practices.

## 2.3 Packaging Efficiency

In our commitment to sustainability, we have reduced packaging waste by using eco-friendly materials and improving designs. Key actions include:

- Adherence to our Forest Derived Materials (FDM) policy, ensuring packaging is wood-free to prevent deforestation.
- Utilizing Forest Stewardship Council (FSC) certified materials for cartons and hangtags, promoting responsible forestry practices.
- Adopting biodegradable polybags, reducing environmental impact.
- The integration of QR code technology on hangtags and care labels provides customers with easy access to product information.

## **3. Social Responsibility**

### 3.1 Fair Labor Practices- Supply Chain

At STORMTECH, our commitment to fair labor practices is non-negotiable, and we maintain ethical standards within our supply chain. We strive to maintain a safe and conducive working environment, fair wages, and adherence to ethical labor standards in our operations.

We actively seek suppliers who share our commitment to human rights and fair treatment of workers, fostering collaboration that extends beyond business transactions. Our comprehensive Code of Conduct for suppliers reflects our commitment to these principles, highlighting the importance of social responsibility in every aspect of our supply chain.

By aligning with partners who prioritize fair labor practices, STORMTECH strives to establish a high standard for ethical conduct and contribute positively to the well-being of workers across our global supply chain.

In addition to the expectations set in the Supplier Code of Conduct, we anticipate our suppliers to manage and limit any negative impacts of their business activities, goods and services on the

environment, community, and society. We also anticipate our suppliers to engage with their own supply chain to practice responsible business.

### 3.2 Diversity and Inclusion

Diversity and inclusion are core values at STORMTECH, shaping the structure of our operations and supply chain. We recognize the strength that diversity brings to our organization and believe that fostering an inclusive environment is not only a moral imperative but also a strategic advantage. In our operations, we prioritize creating a workplace that celebrates differences, where all employees feel valued, respected, and empowered.

We extend this commitment to our supply chain, actively seeking diverse suppliers and partners who share our values. By embracing diversity, we gain access to a wealth of perspectives and talents, enhancing innovation and creativity throughout our business. STORMTECH is dedicated to ensuring that diversity and inclusion are not just aspirations but integral components of our corporate culture, contributing to a more vibrant, resilient, and socially responsible organization.

### 3.3 Community Engagement TBD

At Stormtech, our commitment to community engagement is exemplified through the 1:1 Initiative, an integral component of our Environmental, Social, and Governance (ESG). We strongly believe in the transformative power of an active outdoor lifestyle, and the initiative focuses on donating essential outdoor apparel to our partner organizations. This program is specifically designed to introduce young individuals to the joys of outdoor activities, but also aims to instill a desire for nature and physical well-being from an early age. Our commitment is emphasized by a financial commitment – 1% of our global sales is dedicated to sustaining this initiative, ensuring its long-term impact and extending access to quality outdoor gear to those who may not have such opportunities.

The benefits of the 1:1 Initiative extend beyond the tangible donations, encompassing improved community well-being, environmental awareness, and strengthened connections. By engaging with our partners, we aim to foster lasting relationships and contribute to the greater resilience and sustainability of the communities we serve. Stormtech's commitment to the 1:1 Initiative is not just a charitable act but a holistic approach to community building, reflecting our belief in the positive impact of an active outdoor lifestyle on individuals and society.

## 4. Governance and Accountability

### 4.1 Ethical Business Practices

We have developed and consistently update a Code of Ethics Policy that outlines the expected behavior and ethical standards for all of our employees. This Code of Ethics Policy serves as a guide for decision-making and behavior, promoting transparency, accountability, and responsible business practices.

We are committed to conducting business with the highest ethical standards. Our governance structure will emphasize transparency, accountability, and compliance with all applicable laws and regulations.

## **4.2 Stakeholder Engagement**

We strongly believe that stakeholder involvement is essential to our commitment to environmental, social, and governance (ESG) excellence.

Our recent initiative, Pure Earth, is a testament to this commitment. This collection showcases apparel that is made from recycled polyester (RPET) and/or cotton certified by the Better Cotton Initiative (BCI). Our sustainable approach encompasses packaging, featuring hangtags made of FSC-certified paper, oxo-biodegradable bags, and packaging that comply with FSC regulations. This holistic approach demonstrates our commitment to environmental responsibility, creating a foundation for collaborative efforts with our stakeholders in advancing sustainable practices across our industry.

Our stakeholders are crucial in bringing us to a more sustainable future. Through ongoing dialogue, shared insights, and collaborative efforts, we aim to create a resilient ESG framework that not only reflects our values, but also addresses the evolving expectations of our stakeholders. Together, we will continue to observe, design, and create entire solutions, making a lasting impact in the world we share.

## **5. Environmental Stewardship**

### **5.1 Compliance with Environmental Laws and Regulations**

STORMTECH is unwavering in its commitment to ESG (Environmental, Social, and Governance) compliance, particularly in compliance with environmental laws and regulations. Our company strives to maintain the highest standards in environmental responsibility, ensuring that all our operations comply with applicable laws and regulations. From sustainable sourcing practices to eco-friendly packaging initiatives, STORMTECH strives to remain consistent, actively seeking opportunities to contribute positively to the environment. Our commitment to ESG principles reflects our wider commitment to integrating responsible business practices into the core of our operations, fostering a sustainable and ethical business model.

Our Suppliers must adhere to all applicable environmental laws and regulations in the country of operation. This includes reducing waste and maximizing recycling initiatives. STORMTECH anticipates suppliers to stay informed about changes in legislation and adjust their practices accordingly.

### **5.2 Pollution Prevention and Efficiency**

STORMTECH is committed to promoting pollution prevention through both programmatic and technological improvements. Suppliers are encouraged to prioritize source reduction, process efficiency, and waste reduction. Efforts must be made to protect employees and local communities from hazardous materials, and all efforts should be made to recycle and reuse by-products.

### **5.3 Hazardous Materials Handling**

Suppliers must have proper procedures to protect employees and communities from exposure to hazardous materials. The storage areas for such materials must be properly identified and isolated.

If the use of hazardous materials is unavoidable, proper handling and disposal methods must be implemented in accordance with the country's regulations on pollution control.

#### **5.4 Restricted Substances**

At STORMTECH, our commitment to customer satisfaction is paramount. We pledge to provide products that meet our customers' health and safety standards. This commitment extends globally, encompassing imports into Canada, the United States, Europe, and third-party shipping.

- STORMTECH products meet the stringent standards set forth by key legislations, including the Canadian Consumer Product Safety Act (CCPSA), Consumer Product Safety Improvement Act (CPSIA), Federal Hazardous Substances Act (FHSA), California's Proposition 65, Restricted Substance List (RSL), and The European Union's General Product Safety Directive.
- The safety of our products is a continuous process. Regular testing for flammability, lead, phthalates, and other harmful substances is carried out as required. We strive to maintain the highest quality standards for our customers, regardless of the regulations.

The use of prohibited substances in production is strongly discouraged. To reinforce this commitment, suppliers must strictly adhere to STORMTECH's regularly updated banned substances list. Additionally, all manufacturing facilities must have a documented policy indicating their commitment to complying with restricted substances regulations.

#### **5.5 Energy and Resource Conservation**

Suppliers are expected to implement policies to preserve energy, water, and other resources.

This includes measures to reduce energy consumption, optimize water usage, and reduce waste generation.

### **6. Responsibilities and Management Systems**

#### **6.1 Environmental Management Systems**

All factories must have a written policy ensuring compliance with local environmental laws, regulations, and requirements. This includes measures for reducing the use of hazardous substances, managing restricted substances, preserving energy and resources, preventing pollution, and promoting a healthy indoor environment.

#### **6.2 Environmental Stewardship Position**

Each company in STORMTECH's supply chain must assign specific duties for environmental stewardship to a designated position within the organization. This individual is responsible for overseeing and implementing environmental policy and practices.

#### **6.3 Periodic Reviews**

STORMTECH emphasizes the importance of periodic evaluations of the environmental management system. This includes regular factory walk-throughs to identify potential hazards and assess how they are managed. Continuous improvement initiatives should be implemented based on these evaluations.

## **7. Supplier Commitments**

STORMTECH encourages its suppliers to:

- Develop, manufacture, and market products that are safe for their intended purpose.
- Utilize development and manufacturing processes that minimize waste, reduce air and water pollution, reduce health and safety risks, and dispose of waste safely and responsibly.
- Strictly adhere to the frequently updated banned substances list.
- Strive to continuously improve their environmental management system and efficiency.

## **8. Partnership with BMO Radicle and Climate Smart Tools**

STORMTECH is proud of its strategic partnership with BMO Radicle, a leading sustainability and innovation consulting firm. This partnership enhances our commitment to environmental stewardship and sustainability. Together with BMO Radicle, we are utilizing cutting-edge Climate Smart tools to map STORMTECH operations and emission resources effectively.

### **8.1 Climate Smart Tools Implementation**

STORMTECH utilizes Climate Smart tools to enhance our ability to monitor, measure, and manage greenhouse gas emissions. These tools provide valuable insights into our carbon footprint, enabling us to identify areas for improvement and implement strategies for emission reduction.

### **8.2 Greenhouse Gas Inventories CY2022 Data Reporting**

In conjunction with our commitment to transparency and accountability, STORMTECH is actively engaged in the process of reporting Greenhouse Gas Inventories for the calendar year 2022. This comprehensive data reporting initiative is part of our ongoing efforts to accurately measure our environmental impact and to establish benchmarks for future improvements.

### **8.3 Continuous Improvement**

The partnership with BMO Radicle and the implementation of Climate Smart tools signifies our commitment to continuous improvement in environmental performance. By utilizing these tools, we aim to enhance the efficiency of our operations, reduce our carbon footprint, and contribute positively to global sustainability objectives.

STORMTECH maintains a commitment to updating stakeholders on our progress in greenhouse gas emissions reduction and other sustainability initiatives. This partnership is a testament to our proactive approach in adopting innovative solutions to address environmental issues and align with the global best practices in ESG management. We anticipate sharing the results of our Greenhouse Gas Inventories

CY2022 and advancing our sustainability journey with the support of our valued partners and stakeholders.

STORMTECH strives to be a strong advocate of the environment, introducing guidelines and practices that ensure compliance with local and national laws of the countries where merchandise is manufactured and distributed. This commitment to ESG principles reflects STORMTECH's commitment to sustainable business practices and environmental accountability.

## **9. Related Policies and Procedures**

This ESG Policy is supplemented by several other governance documents that pertain to our business and operations.

- Supplier Code of Conduct
- Anti-Slavery & Human Trafficking Policy
- Anti-Corruption and Anti-Bribery Policy
- Statement on Xingjiang
- Product Safety Position Statement
- California Propositions 65 Compliance statement
- PFC Free statement
- PFAS Elimination Initiative
- Product Recall Policy
- CPSIA Compliance statement
- Forest Derived Material Policy
- Animal Derived Policy
- Conflict Minerals Policy

## **10 Canadian ESG Reporting Standards, Rules & Requirements in 2023**

- S-211 Supply Chain Reporting - An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (Bill S-211)

## **11. ESG Reporting**

An Annual ESG Report will be compiled as a consolidation of the three separate reports:

- Annual Environmental Sustainability Report
- Annual Social Impact Report
- Annual Governance Report

## **12. Oversight of this policy**

STORMTECH Corporate Sustainability Office will:

- Observe the adoption and implementation of this ESG Policy across STORMTECH offices.

- Review this document every two years and report any feedback to Executive Leadership.
- Suggest amendments or modifications, when appropriate.

**Effective date**

This ESG Policy is effective as of 1<sup>st</sup> February 2024