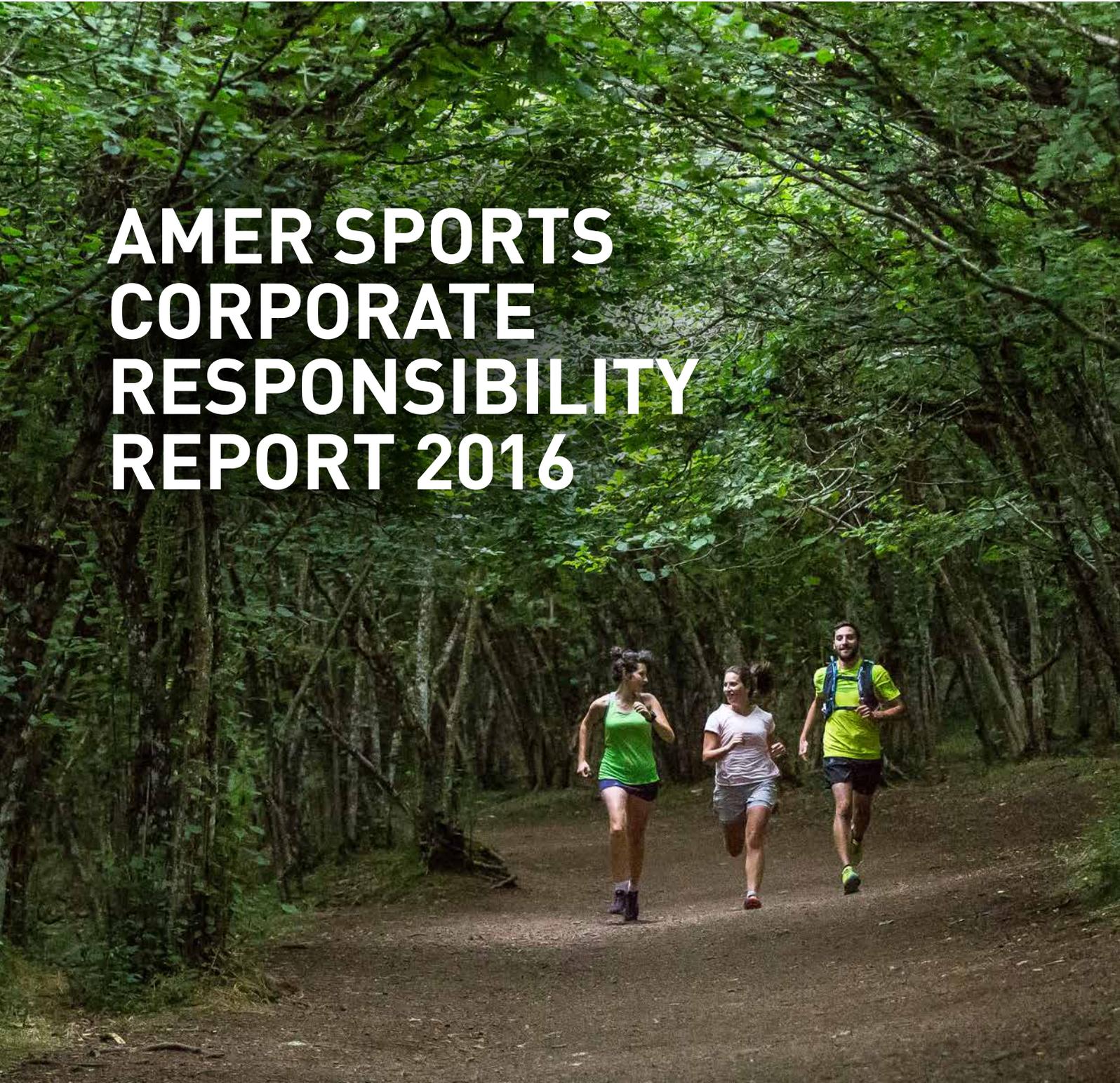




AMER SPORTS CORPORATE RESPONSIBILITY REPORT 2016



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Amer Sports in brief

Amer Sports (www.amersports.com) is a sporting goods company with internationally recognized brands including Salomon, Wilson, Atomic, Arc'teryx, Mavic, Suunto and Precor. The company's technically advanced sports equipment, footwear and apparel improve performance and increase the enjoyment of sports and outdoor activities.

Amer Sports' business is balanced through its broad portfolio of sports and products and presence in all major markets. Amer Sports shares are listed on the Nasdaq Helsinki stock exchange (AMEAS).

Amer Sports' offering of sports equipment, apparel, footwear, and accessories covers a wide range of sports, including: running, hiking, tennis, badminton, golf, American football, baseball, basketball, alpine skiing, cross-country skiing, fitness training, cycling, and diving.

Amer Sports sells its products to trade customers (including sporting goods chains, specialty retailers, mass merchants, fitness clubs and distributors) and directly to consumers through brand stores, factory outlets, and e-commerce. In December 2016, Amer Sports sales network covered 34 countries.

In 2016, Amer Sports net sales totaled EUR 2,622.1 million. At the end of December, the company had a market capitalization of EUR 2,971.6 million (3,164.7), excluding own shares. At the end of the year, the Group employed 8,526 people. The company's largest geographical markets in terms of sales were the USA, Germany, France, Canada and Japan.

AMER SPORTS OPERATING SEGMENTS, BUSINESS AREAS AND THEIR BRANDS

Outdoor

- Footwear: Salomon, Arc'teryx
- Apparel: Salomon, Arc'teryx
- Winter Sports Equipment: Salomon, Atomic, Armada (as of March, 2017)
- Cycling: Mavic, ENVE (as of March, 2016)
- Sports Instruments: Suunto

Ball Sports

- Individual Ball Sports: Wilson
- Team Sports: Wilson, DeMarini, Louisville Slugger, Atec Sport, EvoShield

Fitness

- Fitness Equipment: Precor, Queenax

More information about Amer Sports at www.amersports.com/about-us

MISSION

Amer Sports mission is to provide everyone from first-time participants to professional athletes, with the world's best sports and fitness equipment, footwear and apparel.

VISION

Amer Sports' vision is to be the industry's leading sports company, fueled by authentic brands that inspire athletic achievement and enjoyment for active and healthy living.

VALUES

Amer Sports' values are

- Determined to win
- Team spirit
- Fair play
- Innovation

Read more about Amer Sports mission, vision and values at www.amersports.com/about-us/our-business/mission-vision-and-values



Business and strategy

The Amer Sports strategy is based on five strategic cornerstones that will enable the company to achieve its ambitions and financial targets. The strategic cornerstones are:

- Clear portfolio roles and business synergies
- Faster growth in softgoods
- Winning with consumers
- Winning in go to market
- Operational excellence

Read more about Amer Sports' strategy at www.amersports.com/about-us/strategy and about the progress in specific focus areas in Amer Sports' Financial Review 2016 on page 3.

KEY FIGURES

FINANCIAL KEY FIGURES (EUR million)	2016	2015	2014	2013
Net sales	2,622.1	2,534.4	2,228.7	2,136.5
Gross profit	1,213.5	1,145.9	979.0	932.2
Gross profit, % of net sales	46.3	45.2	43.9	43.6
EBIT (excl. non-recurring items, NRI)	221.7	212.1	168.3	154.9
EBIT % excluding non-recurring items	8.5	8.4	7.6	7.3
Non-recurring items	-16.9	-8	-54.2	0
EBIT total	204.8	204.1	114.1	154.9
Free Cash Flow	64.4	121.7	53.5	42.5
Net debt/EBITDA excluding non-recurring items	1.9	1.7	2.0	2.2

EMISSIONS CO2 (tonnes)	2016	2015	2014	2013
Greenhouse gas emissions, Scope 1	13,345	13,010	13,686*	12,084
Greenhouse gas emissions, Scope 2	18,592	19,786	20,461*	20,888
Greenhouse gas emissions, Scope 3**	11,626	31,062	12,330***	34,882

* Minor corrections are made for 2014 figures as new and more accurate source data was available.

** The scope 3 for 2015 includes categories of business travel, purchased goods and services (paper and water), upstream transport and distribution, fuel and energy related activities, and waste generated in operations.
2015: 13,150 (withouth upstream transport data)

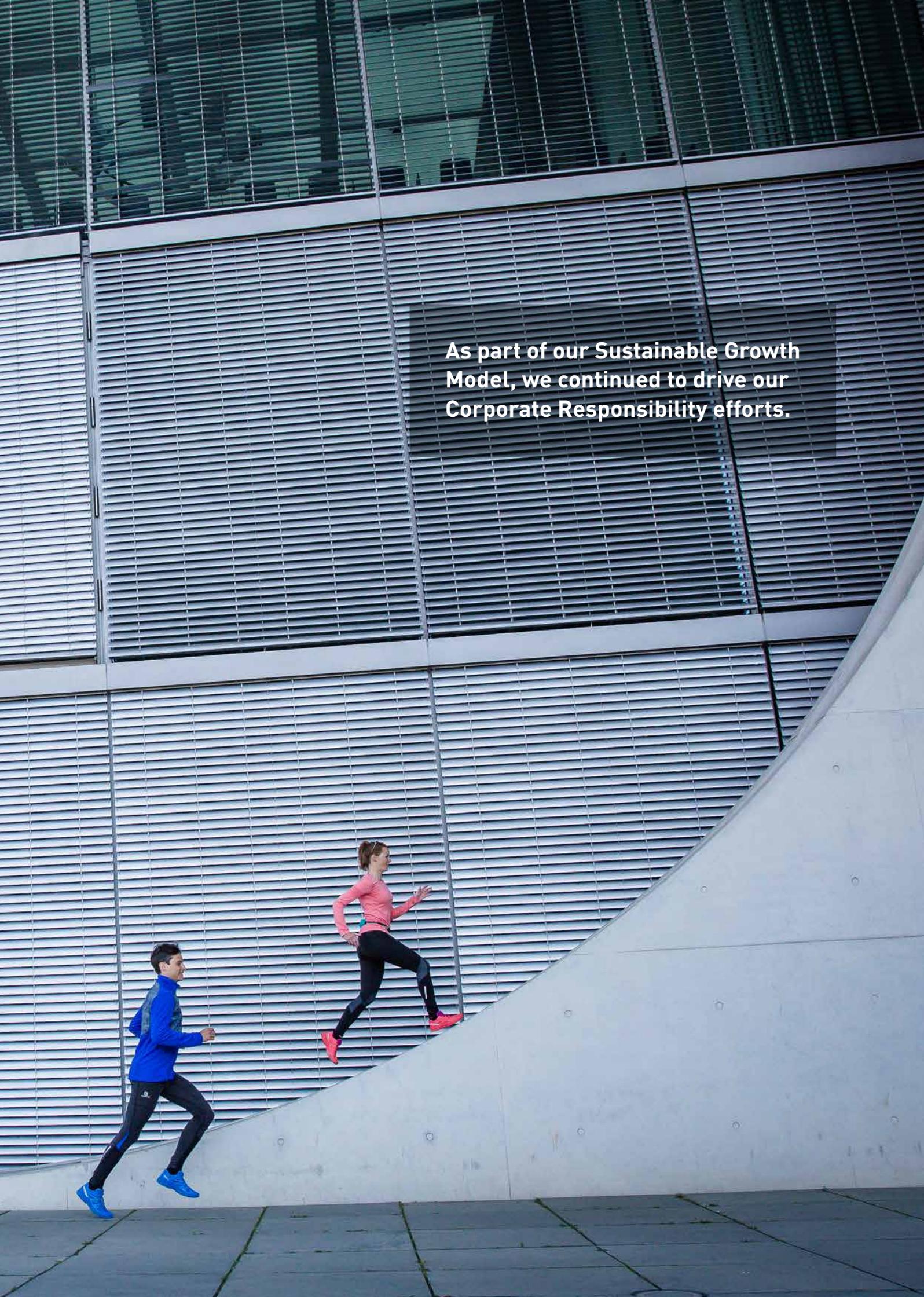
*** 2014 figures do not include upstream transport and distribution.

PERCENTAGE OF PURCHASING VOLUME, AUDITED	2016	2015	2014	2013
Audited purchasing volume of purchase turnover forecast, Asia & EMEA	96.3	98.3	96.6	98.1

PERSONNEL BY BUSINESS SEGMENT	2016	2015	2014	2013
Outdoor	5,619	5,084	4,966	4,742
Ball Sports	1,770	1,686	1,537	1,549
Fitness	908	975	932	874
Headquarters and shared services	229	209	195	165
	8,526	7,954	7,630	7,330



AMER SPORTS IN BRIEF	2016	2015	2014	2013
Number of countries of own operations	34	34	34	34
Main markets (largest markets in terms of sales)				
Net sales EMEA (EUR million)	1,133.7	1,114.7	1,064.0	1,025.2
Net sales Americas (EUR million)	1,116.0	1,070.1	874.3	839.4
Net sales Asia Pacific (EUR million)	372.4	349.6	290.4	271.9
Sales network				
Sales network (number of countries)	34	34	34	34
Sites				
Own manufacturing sites (number of manufacturing sites)	13	12	12	12
Net sales				
Net sales in total (EUR million)	2,622.10	2,534.4	2,228.7	2,136.5

A man and a woman are running on a concrete ramp in front of a modern building with a white louvered facade. The man is wearing a blue jacket and black pants, and the woman is wearing a pink top and black leggings. The building has large windows with horizontal blinds. The text is overlaid on the right side of the image.

As part of our Sustainable Growth Model, we continued to drive our Corporate Responsibility efforts.

CEO'S STATEMENT

In 2016, we again delivered record sales and profits as we closed our seventh consecutive year of profitable growth. As ever, our emphasis was on sustainable growth: growing the business profitably whilst investing back into the business to ensure long-term success. As examples of investments in the future, we continued to open new brand stores and e-commerce shops, we continued to build our organizational capability, and we built new and more efficient production and warehouse capacity. On top of organic development, we made two strategic acquisitions, ENVE Composites in Cycling and EvoShield in Baseball, to continue reinforcing our leadership positions.

We also continued to drive corporate responsibility efforts with good progress across the key performance indicators as we pursued our objective of continuous improvement. To name a few examples, we reviewed and updated our ethical policy which is now aligned with the Fair Labour Association's Code of Conduct. Salomon and Arc'teryx trained their manufacturing facilities on Higg Index Facility Environmental Module self-assessments. We prepared a new company-wide ethics and compliance

system which promotes ethical practices in Amer Sports. Furthermore, the company's corporate responsibility network worked to verify progress and set new targets in the prioritized sustainability areas, fully integrated into the company's annual strategic planning under the supervision of the Executive Board.

Sustainability and continuous improvement are the foundation for Amer Sports' future growth, and these two principles also guide our approach to corporate responsibility. Our mission is to improve consumers' sports and fitness performance and inspire an active life and lifestyle. We focus on delighting our consumers and shoppers, partnering with our customers, and building strong brands and a strong organization. We seek to do the right thing and to continuously improve in line with our company values. This is what makes our Sustainable Growth Model sustainable.

Heikki Takala
President & CEO

KEY INDUSTRY AND SUSTAINABILITY TRENDS

Essential long-term trends, global megatrends and sporting goods industry trends for Amer Sports include changes in the demographic structure, and the health, fitness and outdoor trends. Other relevant trends include supply chain transparency, materials safety and traceability, closing the loop in business (circular economy), and changing weather patterns.

Amer Sports' goal is to inspire people of all ages to discover the fun of exercise, helping them stay healthy and active throughout their lives. Amer Sports believes in the power of sports to help people stay motivated and achieve more in their lives, even away from their athletic endeavors.

In today's societies, one of the key questions is how to help people maintain an active lifestyle and a passion for exercising. Sports and exercise are among the most effective ways to prevent diseases, such as cardiovascular diseases and type two diabetes.

Health and wellbeing has become even more popular due to the increased use of digitally connected devices and social media, as people can measure their performance and share it, and the everlasting popularity of strength training. To answer the functional fitness trend, Amer Sports' Fitness business Precor acquired Queenax, the forerunner and market leader in functional training equipment in July 2015.

Outdoor pursuits are often family experiences for participants of all ages, regardless of gender. Outdoor is the largest segment of Amer Sports, representing 60% of the company's net sales. Outdoor industry continues to address the broader trend of sustainability. Materials quality and

safety, for example, the chemicals used in products, such as perfluorocarbons (PFCs), have continued to be a major focus in 2016 for the apparel industry.

To ensure product quality and safety, in 2015 Arc'teryx, Salomon and Mavic brands joined the Sustainable Apparel Coalition (SAC), which is the apparel, footwear and home textile industry's alliance for sustainable production. Amer Sports Apparel and Footwear category have a Materials Compliance Program to orient the Group's core Tier 2 suppliers so that fabrics and trims are proactively screened against emerging priority substances. Central to this program is Amer Sports Apparel category's participation in the bluesign® system partner network, a solution for more sustainable textile production.

Climate change is affecting weather patterns, and the activities of those who love cold winters. In December 2015, the global climate conference was held in Paris where 195 countries adopted the first-ever universal, legally binding global climate deal, and people can anticipate a stricter policy environment, including the potential for further regulation.

Amer Sports has initiatives to increase its operational efficiency, adopt practices to promote a circular economy and a closed loop business, and develop its environmental stewardship while all efforts are targeted to reduce the company's carbon emissions.

To increase the transparency in its supply chain, Amer Sports has further developed the tracking of its audit findings. This update will help to develop specific capacity-building training to improve its suppliers' CSR performance.

RISKS AND OPPORTUNITIES RELATED TO CORPORATE SUSTAINABILITY

Amer Sports has a materiality matrix, which defines the key areas for the company's corporate responsibility. The materiality matrix covers the areas that are considered to have the most impact on Amer Sports and that are of interest to stakeholders. The materiality matrix is presented on p. 12. The most important areas are Human and Labor Rights and Product Compliance and Materials of Concern, which is also in line with the Amer Sports risk mapping findings where the company has identified risks and uncertainties in its business.

Amer Sports sources a significant proportion of its products from subcontractors located throughout Asia, which exposes the company to the political, economic, and

regulatory conditions in that area as well to a variety of local business and labor practice issues. Of Amer Sports' total production value, approximately 64% is outsourced.

Amer Sports is committed not only to the highest standards of product quality, but also to socially responsible sourcing practices. Amer Sports shares with its suppliers a commitment to treat employees with respect and dignity by adhering to the local labor laws and regulations relevant to business.

Amer Sports expects its suppliers to respect human rights in the spirit of internationally recognized social and ethical standards including International Labor Organization (ILO)

Standards and the United Nations' Universal Declaration on Human Rights.

Amer Sports has an extensive social compliance program, and since 2008 it has conducted third-party social compliance audits, and cooperated with its suppliers for further improvement. Read more about key efforts in the social compliance in the Supply Chain on p. 28.

Amer Sports can be adversely affected by unusual or severe weather conditions. For example, sales of winter sports equipment are affected by snow conditions.

Amer Sports renewed its business strategy in 2010 and 2015. In the Winter Sports Equipment category, the company continues to focus on operational excellence, including improved production flexibility. Amer Sports has also increased its Spring/Summer product ranges and its focus on footwear and apparel, which will balance its product portfolio and, thus, also decrease its dependency on winter and weather conditions.

In 2016, the company continued to successfully accelerate its strategic priorities, and the Winter Sports Equipment category continued to improve its profitability despite a lower topline in a context of unfavorable winters.

Amer Sports' ambition set in 2016 is to reach EUR 1.5 billion in softgoods, i.e. footwear and apparel, by 2020. The growth is supported by product range, geographical and channel expansion. In 2016, footwear and apparel accounted EUR 921 million of the Group's net sales, i.e. 35% (34% in 2015) of the Group. Winter Sports Equipment was 15% (16% in 2015) of the Group sales.

Faster growth in softgoods is one of the strategic cornerstones for the company, and nature is especially valued by outdoor people. These two facts have initiated several programs such as the creation of the Amer Sports Restricted Substances List (RSL); the memberships of Arc'teryx and Salomon in the Sustainable Apparel Coalition; and Apparel category membership in the bluesign® system partner network. Read more about these on p. 24.

How Amer Sports identifies risks and opportunities?

The Board of Directors approves and endorses the company's Risk Management Policy that defines the objectives, principles, processes and responsibilities concerning risk management at Amer Sports. This identification and evaluation of risks enables adequate and effective internal controls. The Board of Directors and the Audit Committee review the Policy annually and ensure that the risk management activities are aligned with the

Policy. The process of risk management and the internal controls relating to financial reporting provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements.

These risk management processes are the same as those required, for instance, to manage climate change risks and opportunities and to identify climate change-related impacts to the company, such as the reduction of dependency of weather related conditions and warm winters. These processes are embedded in the business management and internal control framework in order to support the accomplishment of the business and reporting targets. The process includes risk identification, assessment, control, communication and monitoring. The Risk Management Steering Team, appointed by the CFO, is responsible for communicating and enforcing the risk management policy, improving the processes, coordinating risk management efforts and educating the organization about the issue.

The Risk Assessment is performed by Business Units and Group Functions. A risk universe provide a structure to the process that assess Financial, Operational, Compliance and Strategic risks. Specific risk categories cover Governance, the Code of Conduct and Regulatory type of risks, such as, corporate social responsibility risks, health, safety and environmental risks, etc.

The Risk Assessment is updated three times a year by the Business Units and Group Functions. The risks are reviewed and assessed annually by the Executive Board, which also conducts an annual risk management mapping and assessment at the Group level.

Risk reporting is integrated into the monthly operational, strategic and functional reviews of Business Area and Regions. Amer Sports businesses report on risk exposures and mitigation plans regularly during the year. Risk reporting is also integrated into the annual meeting cycle of the Executive Board and the Board of Directors. The review is reported annually to the Audit Committee and to the Executive Board.

When assessing relevant risks both the financial impact and the probability for it to occur are assessed to give guidance in the final risk ranking. When deciding on the final prioritization, also possible mitigating actions are considered.

Read more about risk management at www.amersports.com/investors/governance/risk-management

Corporate responsibility management and organization

Amer Sports follows policies, guidelines and processes that are common to all of its brands, and that steer its actions, some examples of which are presented on pp. 16 - 18. Each brand, subsidiary and category is responsible for the implementation specified in the policies.

Amer Sports sourcing and supply chain management are integrated and have a common organization that serves all of the brands. The Asian Sourcing Office in Hong Kong is responsible for the social compliance of suppliers, vendor qualification, product industrialization, contract management, price negotiations, procurement process, optimization and export administration.

Each Amer Sports business unit reports to its respective management team on matters of corporate responsibility. Amer Sports Board of Directors conducts an annual review on corporate responsibility and regularly reviews the areas related to it in its meetings, as needed.

Amer Sports' brand companies have Sustainability Teams dedicated to the development of environmental issues, and there is a company-wide network of corporate responsibility specialists representing Amer Sports' main brands, regions and categories.

Amer Sports' sustainability communication and development is organized under the Manager of Corporate Responsibility and Communications, who reports to the Director of Corporate Communications and Investor Relations.

The role of corporate responsibility communication includes the coordination, management, development and communication related to sustainability. Furthermore, it includes the coordination of the company-wide corporate responsibility network.

In 2016, Amer Sports Corporate Responsibility network has worked towards setting Key Performance Indicators (KPIs) in the selected key areas. Intention is to publish the targets and KPIs in 2018, and start reporting on the progress.

The network is working to develop measuring systems and how the results are reported to management including performance against targets. Amer Sports is also working to include Corporate Responsibility into its strategic planning and the Executive Board will have responsibility for CR strategy and implementation at the Business Area level.

Amer Sports brands have distinct characteristics that are explained by providing some case examples in this report.

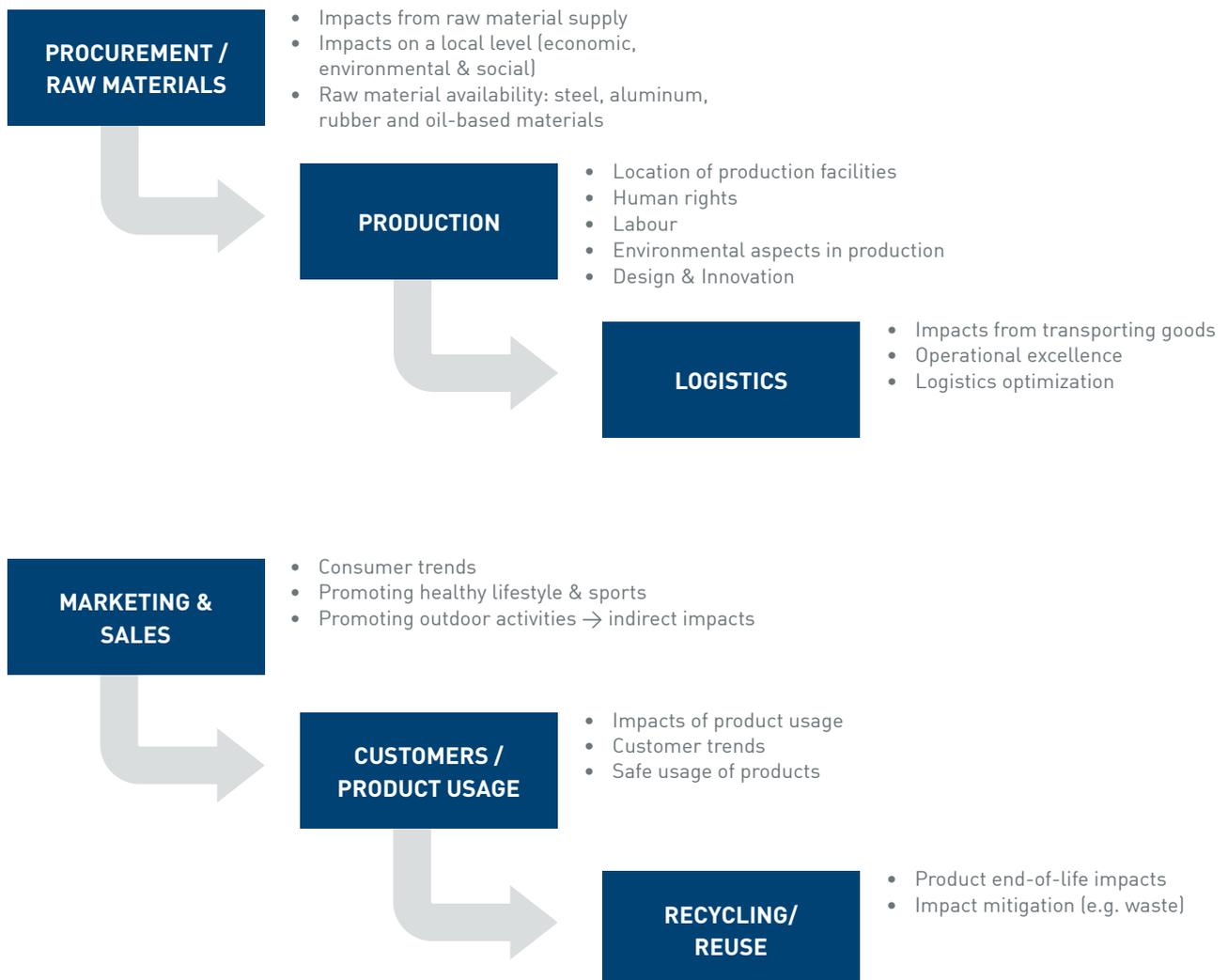
SUSTAINABILITY IMPACTS AND FOCUS AREAS

The focus areas of Amer Sports' corporate responsibility were updated in the materiality assessment conducted in 2015. Amer Sports uses a materiality assessment to identify its corporate responsibility priorities through a structured process to identify what matters most to stakeholders, and has the biggest impact on the company.

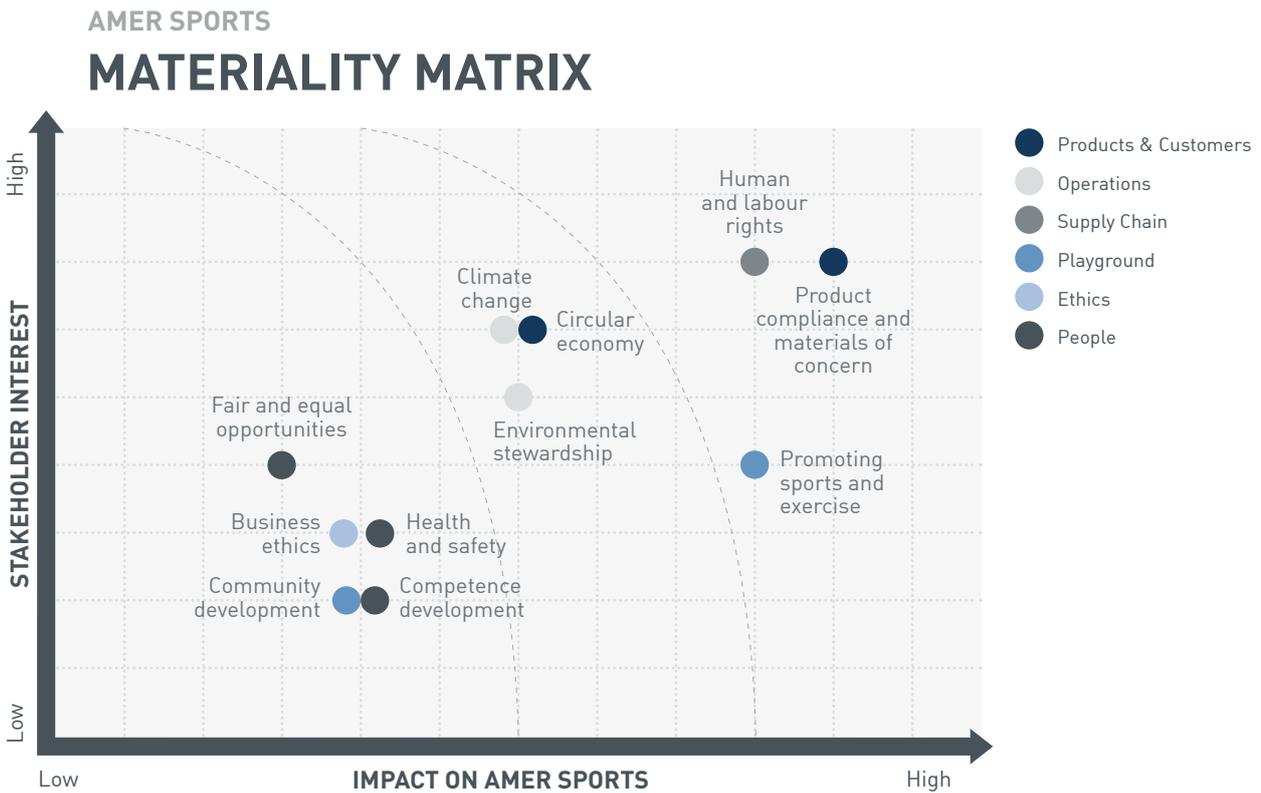
The materiality assessment included mapping stakeholder expectations against Amer Sports' corporate

responsibility activity; reviewing all of the available material that the company has received about stakeholder expectations, including reviewing queries and ratings; analyzing relevant stakeholder publications and sector media sources; conducting interviews with internal experts in the business; and considering other available information. Examples on the impacts in the value chain are described in the table below.

EXAMPLE: IMPACTS IN AMER SPORTS VALUE CHAIN



The materiality analysis creates a base for the indicators, structure and content of the responsibility report to develop it further. In 2016, Amer Sports defined the key areas, related strategic intents, and targets for selected key performance indicators for its Corporate Responsibility work. The key areas are presented in the materiality matrix below, and described in the Corporate Responsibility strategy on p. 14.



All areas in this materiality matrix are important while Amer Sports pays continuous attention to the key focus areas located in the top right corner.

MATERIAL ASPECTS AND ASPECT BOUNDARIES

Amer Sports Material Aspect	G4 aspect / own topic	Aspect Boundary
Product compliance and materials of concern	<ul style="list-style-type: none"> • Compliance • Customer health and safety 	Amer Sports Group
Circular economy	<ul style="list-style-type: none"> • Materials • Amer Sports' own topic: Circular economy 	Amer Sports Group
Human and labor rights	<ul style="list-style-type: none"> • Amer Sports' own topic: Third party audits • Freedom of association and collective bargaining • Child labor • Forced or compulsory labor, including human trafficking 	Amer Sports Group Suppliers

MATERIAL ASPECTS AND ASPECT BOUNDARIES (CONTINUE)

Amer Sports Material Aspect	G4 aspect / own topic	Aspect Boundary
Promoting sports and exercise	<ul style="list-style-type: none"> Amer Sports' own topic: Promoting sports and exercise 	Amer Sports' brands and sales offices
Community development	<ul style="list-style-type: none"> Economic performance Local Communities 	Amer Sports Group
Climate change	<ul style="list-style-type: none"> Energy Emissions Effluents and waste 	Amer Sports Group
Environmental stewardship	<ul style="list-style-type: none"> Biodiversity Amer Sports' own topic: Environmental impacts in the supply chain 	Amer Sports Group, Suppliers
Fair and equal opportunities	<ul style="list-style-type: none"> Diversity and equal opportunities 	Amer Sports Group
Competence development	<ul style="list-style-type: none"> Training and education 	Amer Sports Group
Health and safety	<ul style="list-style-type: none"> Occupational health and safety 	Amer Sports Group
Business ethics	<ul style="list-style-type: none"> Amer Sports' own topic: Code of Conduct training Anti-corruption 	Amer Sports Group

In 2016, Amer Sports launched new initiatives in some of the key areas. The most recent activities focus on the areas of Human and labor rights, Business ethics, and Circular economy.

Amer Sports reviews its Ethical Policy periodically, and in Spring 2017 the policy was updated with the aspects of living wage and fair compensation, and the prohibition of human trafficking.

The Amer Sports Code of Conduct defines the major principles of the company's business conduct. The company has an internal ethics program to report misconduct, and in 2016 it started a project to launch a new ethics and compliance system with an online channel provided for this purpose. Reports may be made anonymously through the ethics and compliance channel. If a report is not anonymous, the identity of the reporting employee will be kept confidential unless fair enforcement of this Code of Conduct or compliance with legal obligations requires it to be made known.

CORPORATE RESPONSIBILITY STRATEGY

Amer Sports aims to ensure social compliance in the supply chain, and reduce the environmental impacts of its operations using methods that are both responsible and economically sound. The company aims to ensure the quality and safety of products, to make products durable while improving efficiency, and, with actions related to these areas, to meet the expectations of its stakeholders

and strive for continuous improvement. The key elements of the corporate responsibility strategy and the related strategic intents are listed in the table next page. In 2016, Amer Sports was in the process of defining the targets for these key areas.

Strategic intent	Key areas
Products & Customers	
<p>Amer Sports delivers excellent sporting goods, services and experiences that inspire athletic achievement and enjoyment while complying with regulation and relevant standards.</p>	<ul style="list-style-type: none"> • Product compliance & materials of concern to ensure safe products • Circular economy
Operations	
<p>Amer Sports constantly reviews its global production and sourcing footprint to identify possibilities for improvements and a reduction of its environmental impact.</p>	<ul style="list-style-type: none"> • Climate change • Environmental stewardship
Supply Chain	
<p>Amer Sports is committed to socially responsible sourcing practices, expects its sourcing partners to adhere to international standards for human and labor rights, and provides training to help its partners meet the standards.</p>	<ul style="list-style-type: none"> • Human & labor rights
People	
<p>Amer Sports provides a safe and healthy work environment, and ensures fair and equal opportunities. Amer Sports builds capabilities, nourishes engagement, and enhances great performance.</p>	<ul style="list-style-type: none"> • Health & safety • Fair & equal opportunities • Competence development
Playground	
<p>Amer Sports promotes healthy and active living through its products, which encourage and support access to exercise and fitness.</p>	<ul style="list-style-type: none"> • Promoting sports and exercise • Community development
Ethics	
<p>Amer Sports goes about its business in an ethical manner and is determined to win and maintain the trust of its consumers, customers, suppliers, shareholders and business partners.</p>	<ul style="list-style-type: none"> • Business ethics



Amer Sports has defined the key areas and related strategic intents for the selected key performance indicators for its Corporate Responsibility efforts.

AMER SPORTS AND UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

United Nations has defined a set of goals to end poverty, protect the planet, and ensure prosperity for everyone as part of a new sustainable development agenda. In order for the goals to be reached, the United Nations asks everyone to do their part, including companies and private citizens.

Read more about the UNs Sustainable Development Goals at <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

The key areas of Amer Sports sustainability strategy and the Corporate Responsibility framework are explained in the previous pages, and below it is described how they relate to the most essential SDGs:

Goal 3: Ensure healthy lives and promote well-being for people of all ages.

Ensuring healthy lives and promoting the well-being of people of all ages is essential to sustainable development.

Amer Sports promotes healthy and active living through its products, which encourage and support access to exercise and fitness.

Goal 8: Decent Work and Economic Growth

The aim is to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Amer Sports' actions to achieve the goal include:

Amer Sports employs more than 8,500 people and the company's sales network covers 34 countries.

Amer Sports provides equal opportunities for its employees and requires that its personnel and business partners to act in compliance with its Code of Conduct.

Goal 13: Climate Action

The aim is to take actions to mitigate climate change and its impacts. Amer Sports is taking several steps to reduce its travel and energy use that create the majority of its emissions.

POLICIES AND GUIDELINES

Amer Sports has several Group-wide policies and guidelines to steer its work. These include:

- Code of Conduct (renewed in Spring 2017)
- Ethical Policy (renewed in Spring 2017)
- Social Compliance Policy
- Category-based Restricted Substances Lists (RSLs)
- Environmental Guidelines
Read more at www.amersports.com/responsibility/guidelines-and-policies
- Corporate Governance statement
Read more at <http://www.amersports.com/investors/governance/>
- Disclosure policy
Read more at <http://www.amersports.com/investors/governance/communications-policy/>
- Privacy policy
Read more at <http://www.amersports.com/privacy-policy/>

CODE OF CONDUCT

The Amer Sports Code of Conduct defines the major principles of the company's business conduct, based on its values. The content of the Code of Conduct focuses on the promises to consumers, shareholders and business partners and refers to International Labour Organization (ILO) standards and the United Nations' Universal Declaration on Human Rights. Code of Conduct aspects include product safety, responsible marketing, accurate

and transparent information, and a healthy and safe workplace for its employees.

In Spring 2017, Amer Sports reviewed its Code of Conduct and updated the policy with elements of the privacy policy and the new ethics and compliance system, with an online channel provided for this purpose.

Amer Sports ethics and compliance system

Amer Sports is renewing its internal ethics program to report misconduct, allowing for anonymous reporting.

Any Amer Sports employee who is uncertain about whether a specific situation or proposed course of action is in conflict with the principles stated in the Amer Sports Code of Conduct, can present the background information detailing

the situation using Amer Sports ethics and compliance system, an online channel provided for this purpose.

Amer Sports' Code of Conduct was launched in 2011 and the employees have been asked to conduct a Code of Conduct test utilizing an online e-learning tool. The Code of Conduct e-learning test is part of the onboarding process. The Code of Conduct is available in 14 languages.

AMER SPORTS ETHICAL POLICY

The Amer Sports Ethical Policy sets out the core values of the sourcing operations. The company expects its suppliers to operate according to the principles in its Ethical Policy. Amer Sports expects its sourcing partners to respect human rights in the spirit of internationally recognized social and ethical standards, including the International Labour Organization (ILO) Standards and the United Nations' Universal Declaration on Human Rights. The Amer Sports Ethical Policy is aligned with the Fair Labour Association's Code of Conduct. The Ethical Policy is available in 24 languages.

The Ethical Policy is approved by the Board of Directors and is reviewed periodically. In the latest update in Spring 2017, the Ethical Policy was updated with living

wage and fair compensation aspects, and the prohibition of human trafficking.

The ethical standards contained in the policy are also used as a tool in selecting and retaining suppliers. For instance, the Amer Sports Ethical Policy prohibits the use of child or forced labor, allows workers' freedom of association and the right to collective bargaining, forbids discrimination in employment, and provides employees with a safe and healthy workplace.

The Ethical Policy requires suppliers to further monitor the ethical performance of their suppliers and contractors and be prepared to take immediate and thorough steps in cases of questionable ethical performance.

SOCIAL COMPLIANCE POLICY

In addition to the Ethical Policy, Amer Sports has a Social Compliance Policy, which provides suppliers with detailed information on how Amer Sports implements its supplier monitoring program as well as requirements that include, but are not limited to, the following issues: monitoring and documentation, child labor, forced labor, migrant labor,

compensation and benefits, working hours, health and safety, environmental and chemical safety, safe disposal of broken needles, discrimination, disciplinary practices, harassment and abuse, freedom of association, grievance procedure and sub-contracting policy.

RESTRICTED SUBSTANCES LIST (RSL)

The category-based RSL lists define Amer Sports' guidelines to control and monitor the hazardous substances used in its products. The purpose of these guidelines is to ensure that the materials, components and finished products supplied to Amer Sports or for its business comply with local laws and regulations regarding toxicology, the environment, and product safety. In addition, its purpose is to ensure that suppliers do not intentionally use the substances listed in the RSL, and that they comply with best practices and industry

standards and aim to improve the environmental impact of the materials that they supply. Amer Sports RSL notably covers REACH, CPSIA and RoHs legislation. Amer Sports has developed specific RSL guidelines to the Footwear and Apparel category and is in the process of developing guidelines for the other categories to control and monitor the hazardous substances in its products.

ENVIRONMENTAL GUIDELINES

According to the Amer Sports Environmental guidelines, the company commits to reducing the environmental impact of its products and operations through the use of methods that are both environmentally responsible and economically sound.

Amer Sports strives to continuously improve its performance and assess the environmental effects of its decisions. The aim is to promote and maintain environmentally responsible practices that are beneficial to customers, consumers, employees and the communities in which Amer Sports' companies operate. Most of the environmental initiatives are brand-led (examples provided on pp. 36 - 38).

AMER SPORTS HQ BUILDING RECEIVED A BUILDING RESEARCH ESTABLISHMENT ENVIRONMENTAL ASSESSMENT METHOD (BREEAM) CERTIFICATE

Amer Sports HQ and Amer Sports Finland, has received a Very Good rating in the Building Research Establishment Environmental Assessment Method (BREEAM). Amer Sports HQ consistently promotes greener office practices. BREEAM is a comprehensive environmental certification system that evaluates environmental performance in ten different categories in terms of approximately 80 items.

SUUNTO ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM

Suunto received the ISO 14001 certificate in 2013 and is committed to preserving the environment through responsible design, manufacturing and delivery of high quality sports watches, instruments and services to outdoor and diving enthusiasts. The principles favor durable materials and suppliers, efficiently reducing waste and recycling, collaborating with supplier for improving environmental performance and saving energy in all of its operations.

SALOMON AND MAVIC COMMITTED TO APPLY ISO 14001:2015 AND 50001

In 2016, Salomon committed to work towards ISO 14001 certification for its Design Center in Annecy, France. ISO 14001 establishes the criteria for an environmental management system and can serve as a basis for certification. ISO 14001 provides practical tools to manage environmental responsibilities, based on the principle of the continuous improvement of environmental performance by monitoring and controlling the impacts linked to the company's activities, such as chemical safety, waste and wastewater.

Salomon is also working to achieve ISO 50001 Energy Management System certification, which provides several benefits for companies; by increasing their energy efficiencies, companies can reduce costs, help conserve resources and mitigate climate change. ISO 50001 supports organizations in all sectors to use energy more efficiently.

PRECOR ENVIRONMENTAL MANAGEMENT POLICY

Precor has an Environmental Management Policy statement that has established objectives to identify the environmental aspects and significant impacts of its business, expanding its recycling program, leveraging innovative repurposing programs and achieving a zero landfill status by 2017, as well as the reuse of steel and aluminum in the production of machined components.

PRECOR MANUFACTURING FACILITY HAS LEED GOLD STATUS

Precor's strength equipment manufacturing facility in North Carolina has LEED (Leadership in Energy and Environmental Design) (gold status) for Commercial Interiors. The facility has been operational since early 2010, and it has reduced energy usage by 40-50 percent compared to the previous facility.

Stakeholder and community engagement

Amer Sports' key corporate responsibility stakeholders were identified in the first assessment for the materiality matrix in 2013 and reviewed in 2015. The key stakeholders are presented in the chart on p. 20. Amer Sports and its brand companies are in a continuous dialogue with their stakeholders, and receiving inquiries and feedback related to corporate responsibility. These inquiries and feedback have been collected and assessed for further actions and development.

Amer Sports brands have initiated their own dedicated programs and actions regarding their stakeholders' expectations.

Salomon's Play-Minded Program

In 2016, Salomon launched its Play-Minded Program, which builds sustainability within the Salomon brand. It is a starting point to better engage Salomon stakeholders in the Salomon sustainability journey. Salomon recognizes the need to play responsibly, take action, be more transparent and invite people to be responsible through its Play-Minded Program.

The program has four pillars: the Players, namely, the sport communities; the Playground, namely, the environment; the Playmakers, namely, the suppliers, partners and employees; and the Toys, namely, the products.

Mind the Players principles targets to enrich the outdoor experience, and share knowledge that leads to a safer, more enjoyable practice.

The Mind the Playground principle for the outdoors is where the fun begins. Everybody has a responsibility to preserve the playground and act sustainably so that they can continue playing.

Mind the Playmakers means that Salomon is committed to ensuring the well-being of the its teams and having a positive impact on Salomon's local communities and suppliers around the globe.

Mind the Toys is that when designing the products for play, Salomon's goal is to build progressive solutions that will reduce Salomon's environmental impact.

Sustainability is an important area for Salomon, and the company has a long tradition in contributing to the outdoor community and environment. Salomon provides information about its sustainability approach on www.salomon.com/int/sustainability.

Cooperation with suppliers

Suppliers are one of the largest stakeholder groups of Amer Sports. The company's commodity leads in Global Sourcing conduct supplier reviews yearly with its top suppliers. The reviews cover quality, on time deliveries, price, inventory management and sustainability initiatives, both social and environmental. Based on these reviews there are usually takeaways for improving business relations in the above listed aspects.

STAKEHOLDER ENGAGEMENT

Stakeholder group	Engagement activities	Identified issues	Actions and responses
Customers	<ul style="list-style-type: none"> • Customer inquiries • Daily operations • Feedback through daily interactions • Customer interviews and discussions 	<ul style="list-style-type: none"> • Customer survey results, identified issues related to products, group or brand related sustainability policy issues, customer requirements and expectations 	<ul style="list-style-type: none"> • Amer Sports apparel and footwear categories have joined the Sustainable Apparel Coalition (SAC). • To ensure the product compliance, Amer Sports has developed its category-based Restricted Substances Lists. • Amer Sports reviewed its materiality assessment in 2015. • Amer Sports reviewed its Code of Conduct and Ethical Policy in 2017. • Salomon's Play-Minded Program was launched in 2016.
Investors	<ul style="list-style-type: none"> • Annual General Meeting • Roadshows • Investor meetings and teleconferences • Environmental, Social and Governance assessment reports 	<ul style="list-style-type: none"> • Interest in the reporting • Interest in the commitment to multinational guidelines • Interest in developing policies 	<ul style="list-style-type: none"> • Amer Sports publishes its corporate responsibility report and continues to develop reporting, define KPIs and set targets.
Personnel	<ul style="list-style-type: none"> • Employee representation (committees) • Employee surveys • Informal forums and meetings • Performance and development discussions • Training sessions 	<ul style="list-style-type: none"> • Issues raised by employees through various channels, e.g. regarding occupational well-being, management and remuneration. 	<ul style="list-style-type: none"> • Amer Sports conducts a bi-annual employee engagement survey. • Amer Sports has an ongoing "Coaching for success" program that cascades Amer Sports strategies to the individual level objectives. • Salomon's Play-Minded Program • Amer Sports has organized several events to personnel.
Suppliers	<ul style="list-style-type: none"> • Daily contacts and meetings • Supplier guidance and policies • Audits • Memberships in industry organizations 	<ul style="list-style-type: none"> • Development areas within the supply chain, e.g. HR issues, audit results, streamlining of the supply chain, supply chain collaboration needs. 	<ul style="list-style-type: none"> • Amer Sports has arranged training on HR topics as well as LEAN production training for selected suppliers. • Amer Sports renewed its Ethical Policy in 2017 and further developed its category-based Restricted Substances Lists. • Supplier reviews for improvement • Salomon's Play-Minded program includes suppliers.
Authorities	<ul style="list-style-type: none"> • Regular contacts with the relevant authorities • Development actions towards authorities 	<ul style="list-style-type: none"> • Possible breaches of laws and regulations, audit findings, changes in regulations. 	<ul style="list-style-type: none"> • Amer Sports has developed its corporate responsibility reporting and reviewed its materiality matrix in 2015.
NGO's	<ul style="list-style-type: none"> • Regular meetings with representatives • Common development projects. 	<ul style="list-style-type: none"> • Questions on certain materials, energy and water consumption, and issues related to working conditions. 	<ul style="list-style-type: none"> • Amer Sports reviewed its Ethical Policy and Code of Conduct in 2017. The company has developed its corporate responsibility reporting and reviewed its materiality matrix in 2016.

MEMBERSHIPS AND INDUSTRY COLLABORATION

Amer Sports and its brand companies participate in several industry-wide initiatives, including:

Sustainable Apparel Coalition (SAC)



Arc'teryx and Salomon are members of the Sustainable Apparel Coalition (SAC) and use the Higg Index to measure progress on environmental and social impacts within the brands and their supply chains. The Higg Index is a self-assessment tool that empowers brands, retailers and facilities of all sizes, at every stage of their sustainability efforts, to measure their environmental and social and labor impacts and identify areas for improvement.

Read more at apparelcoalition.org



Amer Sports and its brands actively participate in the conversation about and development within the outdoor industry. Salomon and Arc'teryx are members of the European Outdoor Group and contributing to its Sustainability working group as well as its Sustainability Advisory Council.

Amer Sports Winter and Outdoor office located in Utah, USA, and Arc'teryx are members of the Outdoor Industry Association (OIA), a trade association for companies in the outdoor recreation business that provides services for manufacturers, distributors, suppliers, sales representatives and retailers in the outdoor industry.

In addition, Salomon, together with Arc'teryx, is a voting member of the OIA's sustainability working group and continues to participate in the steering committee of its chemicals management working group. Some of the key issues discussed at the OIA are the restricted substances used in apparel products and climate change. The OIA works to raise industry standards and represents member interests in, among other things, the legislative/regulatory process.

Read more at www.europeanoutdoorgroup.com/ and outdoorindustry.org/.



Salomon is one of the founding members of the Outdoor Sports Valley (OSV), the French Outdoor Industry organization that was established in 2009, actively cooperating with other outdoor brands in several environmental initiatives such as a common repair center for apparel and seeking alternatives to PFC for DWR treatments.

In 2016, Salomon partnered with other outdoor brands in France, all of whom are members of the Outdoor Sports Valley, to establish and develop the Mont Blanc Outdoor Repair Center. This new location provides a place where outdoor brands can find skilled individuals and machinery to repair outdoor products for their after-sales services, making them last longer. The organization that runs the repair center also helps people find jobs and learn new skills that will make them more employable in the future.

Read more at www.outdoorsportsvalley.org/pro/en/



Since 1999, the Salomon Foundation has worked to facilitate the daily life and help the social and professional reintegration of athletes and mountain professionals who are physically disabled as a result of an accident or illness. The Salomon Foundation also provides support to the families of those who have passed away. Since 1999, the Salomon Foundation has helped 300 individuals, families or associations and distributed more than 1,000,000 €.

Read more at www.fondation-salomon.org

Snowsports Industries America

Amer Sports Winter and Outdoor is a member of Snowsports Industries America (SIA). SIA collaborates with all components of the snow sports industry; its members – alpine, snowboard, backcountry, cross country, snowshoe, apparel and accessories companies, retailers, representatives, resorts, regional and national associations and buying groups, with the goal of promoting the growth and development of snow sports. An Amer Sports representative is a member of the Board of Directors of SIA.

The organization describes how the future of the snow sports industry relies on Mother Nature’s health, and as an industry leader, SIA is aware of the impact its actions as an organization have on the environment and their influence to instill change. The organization continues to build on sustainability programs to shed light on the implications of climate change and inspire action. Read more at www.snowsports.org



Commuting with less CO₂

Salomon and Mavic cooperates with Mouv’Eco, an association located in the area of Annecy, close to the Salomon and Mavic offices. The aim is to encourage employee commuting with less CO₂ expenditure when travelling between home and the workplace. Mouv’Eco

organizes three events every year and these events may include initiatives such as the maintenance of bicycles, the exhibition of electrical vehicles and explaining their advantages, and promoting the use of public transport and car sharing.



Salomon is a member of the European Outdoor Conservation Association (EOCA), a group of businesses in the European outdoor industry that have come together to invest directly into conservation projects worldwide - to give back to the great outdoors.

Read more at www.outdoorconservation.eu



Salomon is one of the founding members of Fondation Eau, Neige et Glace (Annecy). The Foundation was established in 2009 to improve the management of mountain water resources. Salomon has been supporting the Foundation since the beginning.

Read more at www.fondation-eng.org

MEMBERSHIPS TO IMPROVE WORKING CONDITIONS

Fair Labour Association

Wilson is a category B Licensee member of the Fair Labour Association (FLA). As Wilson’s parent company, Amer Sports compliance system has been reviewed by FLA concerning the extent to which the company fulfills the FLA principles of fair labor and responsible sourcing. The Amer Sports Ethical Policy was also reviewed by the organization to align with FLA’s workplace Code of Conduct. FLA conducts unannounced audits to the company’s collegiate facilities. These drive continuous improvements on the compliance system at both the brand and facility level.

International Labour Organization: Better Work in Cambodia

Since 2013, Amer Sports has engaged with the International Labour Organization’s (ILO) Better Work (BW) program in Cambodia. Amer Sports is a buyer participant of the BW country program – Better Factory Cambodia (BFC) and can access the BW assessment and progress report on their online portal. All assessments are conducted in compliance with equivalent national laws and international standards with interpretation guidance from the relevant national ministries and the ILO. Amer Sports also participates in buyers’ forums to engage with Better Work on social audit issues. Better Work is a well-recognized non-governmental organization (NGO) in the industry with many international buyers engaged in the program.

CLIMATE CHANGE



Amer Sports Winter and Outdoor renewed its Green Power partnership with EPA

Amer Sports Winter and Outdoor in Ogden, USA participates in the EPA's (United States Environmental Protection Agency) Green Power Partnership. This means that its office is committed to the use of green power, helping to reduce the risks associated with climate change by supporting technologies that are more sustainable for businesses and communities. Amer Sports Winter and Outdoor has renewed its EPA Green Power Partnership for 2017.

Read more at <http://www3.epa.gov/greenpower/>

Increasing awareness of climate change from the "Guilt trip" film

In 2016, Salomon has made several sustainability engagements and commitments as described in the Salomon Play-Minded Program on p. x. As part of its program, Salomon has increased awareness of climate

change by the broadcast of a film called "Guild trip" on the Salomon TV.

In the film, a group of skiers' desire to climb a first ski descent on Greenland's second highest peak and are concerned about the size of their carbon footprint to get there. The skiers decide to bring along a renowned glaciologist, Alun Hubbard, whose hypothesis, if proven, could rewrite the popular projections of global sea-level rise. The film has garnered more than 150,000 views on YouTube, and this is the starting point of a better integration of the impact of climate change on Salomon business.

See more at

<https://www.youtube.com/watch?v=pbtgNVykEpg>

Carbon Disclosure Project (CDP)

Amer Sports annually calculates a corporate-wide carbon footprint assessment and participates in the Investor Carbon Disclosure Program (CDP) in order to manage its carbon emission sources, cut down emissions and improve efficiency. The annual global carbon footprint includes data on energy, travel, waste, paper, refrigerants and also water.

SUSTAINABILITY INDICES, AWARDS AND CERTIFICATES

Amer Sports is included in the OMX GES Sustainability in Finland index and is part of the Kempen SRI Universe.

The Amer Sports HQ and Amer Sports Finland office building has a Green Office certificate.

Amer Sports HQ has a BREEAM certificate.

Consumers and products

Amer Sports' strategy emphasizes excellence in consumer-centric product creation. Through continuous research and development, Amer Sports seeks to develop new and better sporting goods, services and experiences that appeal to both consumers and trade customers.

To ensure product compliance, Amer Sports developed its Restricted Substances List (RSL) policies, which were implemented throughout the supply chain in 2013. Amer Sports Apparel and Footwear category have further developed its Materials Compliance Program and extended it to the Group's core Tier 2 suppliers so that fabrics and trims are proactively screened against emerging priority substances. Central to this program is Amer Sports Apparel category's participation in the bluesign® system partner network, a solution for more sustainable textile production. In 2016, the materials compliance program was extended to over 95% of core fabric suppliers of Arc'teryx.

Each Salomon category has published their RSLs on the website. Salomon also makes continuous updates on these RSLs and arranges relevant internal training for better understanding on the bluesign® system, their tools and how Salomon brand can efficiently implement these tools. Salomon Footwear has voluntarily restricted or phased out using PFCs (perfluorinated chemicals) chemicals beyond the legal requirements.

Read more at <http://www.salomon.com/int/sustainability/mind-the-toys>

Precor products are designed, tested and certified to the applicable product safety, electrical safety and electromagnetic compatibility standards. The standards design and performance requirements are independently evaluated by 3rd party NRTL testing labs. Precor requires that vendors sign and declare compliance to the AMER RSL, RoHS and REACH directive requirements.

Precor products are audited each quarter by testing agencies to ensure that critical components meet applicable safety requirements. Annually, unlisted critical components are sent to the Precor testing labs facility to be deconstructed and tested in accordance with the components specific safety standard.

FSC CERTIFIED WOOD

One of the key raw materials of skis is wood and most of Amer Sports wood originates from Germany, Austria, and

Mavic tests cycling products intensively during the development to warranty a safe and durable product to consumer. They develop consumer guidelines, trainings and tutorials for cycling specialist dealers to maintain the products properly and to extend product lifetime. A repair service is also provided to consumers with products under warranty and all along the lifetime of the products by making available spare parts over the warranty timeline, contributing to delay product end of life.

Amer Sports RSL contains the following environmentally relevant information and requirements for its suppliers: As a company, Amer Sports implements its business strategy in an ethically, socially and environmentally responsible manner and ensures that its products are innovative and safe. Amer Sports chooses business partners who are committed to fair and sustainable business.

Amer Sports requires its business partners to comply with and adhere to its policies and to ensure that materials, components and finished products supplied to Amer Sports or its brands are in full compliance with local laws and regulations regarding toxicology, environment and product safety.

In addition, when sourcing materials from animals, Amer Sports does not accept that any unnecessary pain, suffering or injury be inflicted to these animals, whether wild or domesticated, i.e. farmed. Additionally Amer Sports does not source material from any endangered or threatened species. Amer Sports only accept leather or leather parts that originate solely from animals that have been used for meat production in its products; wool or wool parts that originate solely from sheep which have not been subject to mulesing; and down that has been plucked from birds that are already dead, bred and slaughtered primarily for animal production.

Amer Sports Apparel category has made a complete turn away from all C8 materials to C6 alternatives, thereby reducing the presence of the process contaminant PFOA. Across the outdoor industry, this change represents a major transition. PFOA and C8 materials are specifically managed in the company's materials compliance programs for both apparel and footwear with specific test requirements and clear consequences to ensure supplier adherence.

Switzerland. All key suppliers are FSC (Forest Stewardship Council) certified.



Amer Sports develops new and improved sporting goods, services and experiences that appeal both to consumers and trade customers.

PROMOTING SPORTS AND EXERCISE

Sports and exercise unify all of the Amer Sports brands. They promote sports and exercise by increasing overall participation in sports and events, arranging several races all over the world, educating about risks associated with sports, screening events with for instance Salomon TV, and promoting selected athletes and expeditions.

The Amer Sports brands arrange several events throughout the year, ranging from various product testing events with retail partners, ski tests organized in ski resorts, consumer engagement campaigns, events with top athletes with global visibility, as well as with ambassadors and community managers locally, and specific cooperative efforts with foundations, such as those dedicated to supporting sports professionals after their careers.

MAVIC ASSISTANCE AND TESTING PROGRAM

Mavic has a consumer program called “Riding is believing” and it provides the opportunity to test the latest innovations, such as wheels and shoes, and to experience the inspiring benefits of Mavic cycling products.

Since 1985, Mavic’s mobile yellow workshops have become a part of the largest mass events of “planet cycle”. The most famous amateur races covers about 100 races all around the world. Mavic technical support helps any participants in any way that they are able to in the Mavic’s yellow tents, on the day before and leading up to the start of the event. Mavic’s technicians fix problems of the participants, repair wheels, and provide help and technical advices. The service is free of charge, and any necessary parts and accessories are charged at the recommended public price. During the event, technicians in vehicles - or at fixed service points - will intervene directly with the participant to ensure rapid repairs in the event of flats and mechanical problems in order to help them in their efforts to finish their event. In this way, Mavic provides to all bikers any kind of help to allow them to ride on those events.

WILSON SPORTING GOODS

Wilson Sporting Goods works with a number of third party organizations to ensure that playing sports is accessible to young people across North America. In 2016, as part of its ongoing MyWilson campaign, the brand provided tens of thousands of pieces of new equipment to 13 partner organizations across tennis, golf, football, basketball, volleyball, soccer, baseball and softball, who champion youth participation in sports. As part of this effort, the brand tapped its 10,000-member strong Wilson Advisory Staff to raise awareness of this campaign and equipment giveaway effort amongst youth athletes broadly. The result was thousands of social media conversations that encouraged playing sports and giving kids at all socio-economic levels the necessary equipment that helps make being active and playing sports more rewarding and enjoyable.

Personal Health Investment Today (PHIT) is a cause and campaign dedicated to increasing physical activity and fitness to improve the health of America. PHIT American was launched in 2013 with the support of 100 companies and organizations working together toward this one goal. Wilson has provided expertise and financial support to PHIT to help subsidize its school-based programs designed to increase the physical activities offer to children

On a global grassroots level, Wilson conducts massive golf and tennis trial and demo events for consumers. These events allow consumers to meet many of the people behind the Wilson brand along with experiencing the brand’s newest, cutting-edge products. In 2016, the Wilson Racquet Sports group successfully completed the world’s largest tennis demo tour ever by a manufacturer. Through more than 1,200 tour events around the globe, thousands of new and seasoned tennis players experienced a fun and engaging tennis event that supported being active and the pure enjoyment of playing one of the world’s few true global sports.

SUUNTO MOVESCOUNT.COM

In its sports community Suunto Movescount, consumers can find – free of charge – thousands of community created routes and training plans. The service also offers eg. heatmaps for finding the most popular training locations for 15 different sports, and training insights that help you train better and reach your training goals.

SALOMON MOUNTAIN ACADEMY ONLINE AND ON SNOW

Salomon actively cooperates with the Mountain Academy to improve safety in the mountains. This is done through the backcountry snow safety courses which are simulated in action as well as online. Skiers and snowboarders can improve their safety on the skis by learning to make right decisions, analyze terrain and explore beyond the boundaries with digital instructions. Proceeds from the Mountain Academy are directed to the Mountain Academy Fund to help benefit forecasting centers and avalanche organizations around the world.

Read more at

<http://mountainacademy.salomon.com/fr>

COMMUNITY RUNS & FESTIVAL

Salomon arranges community runs to gather people together in their local communities. In these events experienced sports practitioners give their advices on how to trail run. These events are usually organized in partnership with retail stores and partners. One example of these kind events is O.U.T. Festival in Stuttgart and Toulouse, which includes community runs, hikes with retail partners, film projections, and athlete participation.

SALOMON RUNNING ACADEMY

Salomon offers people, especially the millennial, the possibility to learn how to trail run, taught by Salomon athletes.

SALOMON INTRODUCED NEW ATHLETE TRANSPARENCY PROGRAM AND TRAIL RACES FOCUS

As one of the leading trail running brands in the world, Salomon believes it has a huge responsibility to make every effort to keep the sport clean, and Salomon wants to contribute to a trail running future with healthy athletes and free from performance enhancing drugs. Salomon has established a new program called Salomon Athletes Transparency Program. It is one of the strictest healthcare programs that any competitive team has imposed on its own athletes.

Throughout 2017, 16 Salomon athletes (eight men and eight women) will undergo 10 blood analyses - including

the possibility of blood, urine and capillary controls - conducted at random times. The program will be administered by Quartz, a program from Athletes for Transparency, an independent agency that monitors the health of athletes and also has the ability to detect possible pathologies as well as abnormal profiles related to doping. It will be a contractual requirement that these Salomon athletes be part of the program and any sanctions against team members will be published on a public platform.

WORLD VERTICAL WEEK BY SUUNTO

In 2016, Suunto organized the first ever World Vertical week, a virtual event targeting to activate its community to collect vertical meters/miles during a chosen week. The event reached close to a million consumers and Suunto

activated thousands of consumers around the world to do vertical sports during that week. Suunto also organized pilot-type community runs in Helsinki and London.

SPORTS AFTER SCHOOL LESSONS

Since 2013, Amer Sports has partnered with a Finnish non-profit organization called WAU by donating uniforms for sports instructors. WAU is dedicated to arranging sports and exercise programs to school children, making

sports and exercise feasible for all school children as anyone can afford to participate WAUs free exercises before or after school.

AMER SPORTS HQ AND LIIKE TO ENCOURAGE GIRLS EDUCATION THROUGH SPORTS

Since 2007, Amer Sports has cooperated with Liike ry, a Finnish non-governmental organization, to increase school attendance through sports. In 2016, the cooperation was renewed with a project to focus on empowering adolescent girls aged 13-19 to understand their rights, encourage equal education and promote freedom from gender-based violence through sports, especially playing soccer.

The goal of the cooperation is to develop education, gender equality, health, school attendance and increased opportunities for secondary education in Tanzania through sports.

Read more at www.liike.fi/en

Read more examples at www.amersports.com/responsibility/social/citizenship-and-community

Supply chain

Amer Sports sources a significant proportion of its products from suppliers located throughout Asia and the company is committed to socially responsible sourcing practices.

Amer Sports' global operations encompass business functions from product development to product sourcing, manufacturing and outbound logistics. Reliable, efficient and timely supply chain management and operations are important elements of the Group's strategy.

The supply chain function is organized under a single global operations function, which includes the integrated and shared platforms of manufacturing, supply chain and sourcing practices.

Amer Sports value of production is divided as follows: approximately 24% in China, 36% elsewhere in Asia Pacific, 27% in EMEA and 13% in the Americas.

Amer Sports manufactures approximately 23% of its products itself and approximately 13% is produced by partially outsourced vendors. Of Amer Sports' total production value, approximately 64% is outsourced.

Read more about supply chain in the Financial Review 2016 on p. 8 or at www.amersports.com/about-us/globaloperations

Key actions in 2016

In 2016, Asian Sourcing Office continued to maintain a robust third party audit program to monitor social compliance performance of the suppliers in different countries. The audit program was expanded to cover the suppliers from newly acquired brands as a part of the integration process.

Salomon Footwear started to connect with its Tier 1 and Tier 2 suppliers on the Higg Index platform. The Higg

Index is a self-assessment tool and empowers brands, retailers and facilities of all sizes, at every stage of their sustainability efforts, to measure their environmental and social and labor impacts and identify areas for improvement.

Read more at www.apparelcoalition.org.

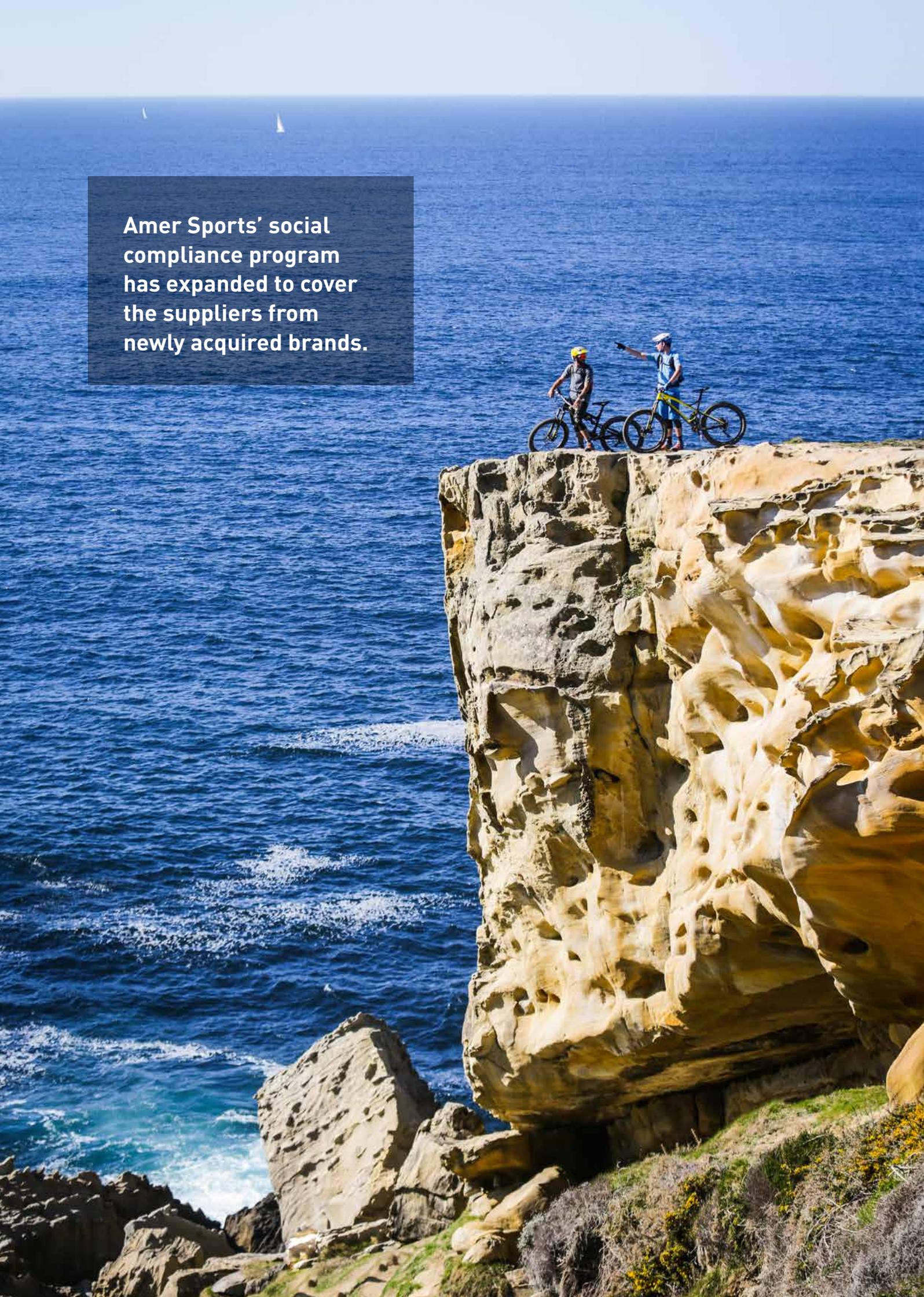
Tier 1 suppliers are assessed to collect environmental information and score them in Spring 2017. In addition, one-to-one meetings have been organized to discuss further improvements and specific action plans.

SUSTAINABLE APPAREL COALITION

The Sustainable Apparel Coalition (SAC) is the apparel, footwear and home textile industry's foremost alliance for sustainable production. The organization's membership represents approximately 50% of these industries. The Coalition's main focus is on building the Higg Index, a standardized brand and supply chain measurement tool for all industry participants to understand the environmental, social and labor impacts of making and selling products and services. The Higg Index delivers a holistic overview of the sustainability performance of a product or company - a big-picture perspective that is essential for progress to be made.

Salomon and Arc'teryx are currently piloting the suite of Higg Index tools (Brand Module, Facility Module, Design and Development Module) to measure their environmental, social and labor impacts and identify areas for improvement. The goal is to fully integrate these tools, recognized worldwide, into the everyday business of the brands.

Amer Sports' social compliance program has expanded to cover the suppliers from newly acquired brands.



MANUFACTURING

Amer Sports' most important own production facilities are located in Bulgaria, Austria, France, Finland, Canada and the United States. In addition, Amer Sports owns all of the manufacturing assets such as tools, molds, IT, etc. except the buildings and labor forces of six plants located in Eastern Europe.

Amer Sports purchases the raw materials that it requires from a number of sources. The most common raw materials are steel, rubber, aluminum, oil-based raw materials and components, and wood. These raw materials are used to manufacture plastic components for bindings, ski boots and sports instruments, and the metal parts used in fitness equipment, binding components and ski edges, apparel, bats and cycling components.

Production (%)	2016	2015	2014	2013
Sourcing	64	63	60	60
By partially outsourced vendors	13	13	15	14
Own production	23	24	25	26

Suppliers' employees in audited factories	2016	2015	2014	2013
Suppliers' employees in audited factories	123,016	119,800	111,700	110,000
Number of countries where suppliers' employees in audited factories are located	17	17	17	16

Breakdown of supplier turnover by country risk ¹⁾ (%)	2016	2015	2014	2013
High risk countries (of total supplier turnover)	93.1	96	96	96
Low risk countries (of total supplier turnover)	6.9	4	4	4

1) Country risk level referring to BSCI definition

Suppliers covered by Supplier Code of Conduct (%)	2016	2015	2014	2013
Purchase value from suppliers signed the supplier CoC	93	96	92	89

Remark: The integration of suppliers from new acquired brands is in progress.

Audits	2016	2015	2014	2013
Factories audited ²⁾	133	133	132	105
Audit visits by external third party	110	141	135	119
Remediation visits by Amer Sports' CR team	56	59	33	26

2) Some factories were visited more than once in 2016.

Breakdown of audit findings ¹⁾ (%)	2016	2015	2014	2013
Monitoring & documentation	5	5	N/A	N/A
Human rights	2	2	1	2
Compensation & benefits	11	10	17	19
Working hours	12	11	N/A	N/A
Fire safety	27	30	N/A	N/A
Operation & machine safety	30	25	N/A	N/A
Environmental & chemical safety	13	16	82	79

1) Reporting categories were specified for 2015 reporting. Environmental & chemical safety category includes Health & safety and Environmental issues for 2013-2014.

Audited purchasing volume (%)	2016	2015	2014	2013
Audited purchasing volume of purchase turnover forecast	96.3	98.3	96.6	98.1

Remark: The integration of suppliers from new acquired brand is in progress.

From time to time, Amer Sports reviews the audit findings of its suppliers to identify capacity building training opportunities for suppliers. In addition to the topics that the company focused on during last few years concerning fire safety and chemical management, in 2016, Amer Sports also partnered with Better Work to perform a workplace cooperation and provide communication training in Vietnam for South Asian suppliers. In order to avoid repeated findings in regular audits, instead of arranging more frequent third party audits, Amer Sports' compliance team focused more on on-site and off-site coaching for suppliers to identify the root causes of the findings and worked together on corrective actions within a reasonable timeframe.

Following the full membership engagement of Salomon and Arc'teryx to the Sustainable Apparel Coalition (SAC) from 2016, Asian Sourcing Office started to engage with manufacturing facilities by providing training on how to conduct a Higg Index Facility Environmental Module self-assessments. Through the self-assessment, facilities are able to review the improvement opportunities on different environmental aspects and improve their energy efficiency. Amer Sports brand companies are also working on their social labor and environmental modules to review performance gaps, benchmark against its peers and drive improvement actions.

OUTSOURCING

Approximately 64% of Amer Sports' total production value is outsourced. This includes the manufacturing of all racket sport and golf products, most team sport products and most apparel and footwear.

Amer Sports' sourcing office in Hong Kong is responsible for vendor qualification and product industrialization, contract management and price negotiations, procurement process optimization and export administration. By leveraging Amer Sports' scale, the aim is to provide a competitive supply of goods with a minimized business risk that ensures product quality, appropriate service levels and subcontractors who adhere to Amer Sports ethical standards. The Amer Sports

requirements pertaining to the labor standards and human rights for suppliers are defined in the Amer Sports Ethical Policy (See p. 17). Amer Sports has approximately 200 external suppliers in Europe and Asia.

Asian Sourcing Office cooperates with its suppliers for continuous improvement

Asian Sourcing Office conduct supplier reviews annually with the company's suppliers and these reviews cover quality, on time deliveries, price, inventory management and both social and environmental sustainability initiatives. The reviews target continuous improvement in these areas.

SOCIAL COMPLIANCE

Like many international companies, Amer Sports' global supply chain is a complex network with employees in different countries who work diligently on the company's products. This creates opportunities for improvements in the lives of the workers and their families. The political, economic, and regulatory conditions in these countries and the local business and labor practices may have room for improvement.

Sustainable supply chain management involves upholding ethical sourcing principles with respect to human rights of workers, fair compensation, healthy and safe working conditions and respect for the environment.

Amer Sports consults, for example, with advocate groups, customers, regulators and local communities and they share their expectations on how its products are made.

As defined in the reviewed material assessment, Amer Sports' strategic intent is to be committed to socially responsible sourcing practices, and Amer Sports expects the sourcing partners to adhere to international standards for human and labor rights. Amer Sports also provides training to help partners meet these standards. Amer Sports is dedicated to improving the working conditions in its supplier companies in cooperation with them as defined in the Amer Sports Ethical Policy.

Amer Sports is dedicated to continuously improving its performance regarding labor, workplace conditions and environmental issues in its supply chain. The company aims to engage in business only with companies that meet its standards for ethical operations, and comply with the applicable laws and regulations for labor, workplace conditions and environmental compliance, as defined in Amer Sports' Ethical Policy.

Read more at www.amersports.com/responsibility/guidelines-andpolicies

To ensure that Amer Sports' business partners and its own manufacturing facilities are in compliance with Amer Sports standards, Amer Sports has implemented a Social Compliance Monitoring Program. Under the program, existing and new suppliers of Amer Sports brands as well as Amer Sports own manufacturing facilities, will be audited. The main features of the Amer Sports Social Compliance approach are:

- Amer Sports is committed to the following policies that guide all of its actions and operations: Company Code of Conduct, Ethical Policy (available in 24 languages) for suppliers and the Social Compliance Policy.
- The Ethical Policy is embedded into the supplier agreement which is signed by suppliers confirming their compliance with the policy.
- Amer Sports has an extensive third party audit program: the Amer Sports' Sourcing Office in Hong Kong ensures that suppliers follow Amer Sports' standards for ethical operations. Amer Sports conducts third party audits to help sourcing partners comply with industry standards, regulations, and Amer Sports' expectations with regards to health and safety, as well as its environment and social responsibility. Before the audit, Amer Sports' CSR team provides pre-audit training to suppliers on its CSR program framework, Ethical Policy and audit standards. Suppliers provides

written agreements to facilitate periodic assessment and actively contribute to remediation activities.

- Social compliance audits are conducted by internationally recognized companies, such as Bureau Veritas and UL Responsible Sourcing Inc. (previously named STR).
 - The formal third party audit includes, but is not limited to, the activities below:
 - Documentation review includes government documents, compensation record and working hour records
 - Management interview
 - Factory tour for a visual inspection and health and safety review
 - Worker interviews (independent from the participation of factory management)
 - Consultation with unions or workers representative (where applicable)
 - Amer Sports CSR team members in Hong Kong are trained on an SA8000 social and environmental management system program, which has equipped them with the necessary skills to work with suppliers on the CSR audit program and to comply with the company's Ethical Policy.
 - Amer Sports also organizes training sessions with the audit firms to make sure that the auditors understand the company's audit standards. This ensures the audit quality and that our Ethical Policy is fully integrated into the audit practice.
 - The company reviews and analyzes the audit findings to identify capacity building training opportunities and organize different trainings to improve the factory management's capabilities. This helps prevent repeated findings of non-compliance and drive sustainable improvements. The trainings can be related to health & safety, employee relationship management and country labor code interpretations.
- Social Responsibility Awareness & Capacity Building Trainings in 2016:**
- Ethical Policy training both face-to-face conferences and phone calls for suppliers to communicate the Policy and explain expectations of the company's audit program. Amer Sports' Asian sourcing quality teams were also invited to attend the training. This enabled the company-

wide cross-functional support to more effectively work for continuous improvement with suppliers.

- Workplace communication training: Amer Sports collaborated with Better Work to deliver a workplace communication training in Vietnam for suppliers in South Asian Countries. This training is expected to build mutual trust in labor relationships at supplier facilities.
- Supplier CSR scores are part of both strategic vendor development plans and the regular monthly performance review cycles. The audit findings are categorized into different risk levels indicating the priorities of the corrective actions to be taken. Facilities have to take root cause analysis of the audit findings and develop corrective action plan to improve their performance. The practice is that the facilities need to submit a corrective action plan to Amer Sports within 10 days after the third party audit. If suppliers need special support, Amer Sports' CSR team will also schedule a remediation visit to those suppliers to re-enforce the training and jointly work with suppliers to develop the corrective action plan. After that, a third party re-audit is still necessary to verify the improvements according to the Amer Sports' program timeframe. The CSR team maintains a complete list of audited facilities and provides monthly updates to the sourcing team.
- Suppliers who receive a full compliance result in Amer Sports' audit are presented with a trophy for appreciation of their efforts on the CSR program. The

facility's CSR performance is also part of the sourcing score card. Suppliers are re-audited based on their previously achieved sustainability score. If suppliers are not able to fulfill Amer Sports' CSR standards, the company reserves the right to terminate the business relation with them.

- Amer Sports cooperates with various NGOs. Wilson, one of Amer Sports brands, is a category B affiliate of the Fair Labour Association (FLA). Amer Sports also engages with Better Work for the Better Factories Cambodia program for the audits in Cambodia and regularly attend the ILO's Better Work workshops.
- Amer Sports provides direct feedback channels for supplier employees: Amer Sports publishes its Ethical Policy on its website and identical content has also been published as a poster printed in local languages (available in 24 languages) and placed on the wall of supplier establishments and accessible to all production workers, managers and supervisors. In cases of violation of standards defined in the Ethical Policy the poster provides an email address (aso.csr@amersports.com) and feedback is handled by Amer Sports Asian Sourcing Office in complete confidentiality. This is also communicated in the company's Ethical Policy.
- Amer Sports engages with its suppliers to develop a long-term partnership. This helps maintaining stable product quality, securing capacity and creating a stable working environment for employees.

QUALITY CONTROL

Quality specifications and quality assurance are of prime importance to Amer Sports production processes. Products are subjected to quality control tests prior to production and also before products are sold to customers. Quality control tests are also performed during the production processes to ensure that the items meet the Group's quality requirements. In general, quality control is handled by Amer Sports' own quality control personnel who perform extensive testing and inspection procedures.

The Group also requires its third-party suppliers to arrange specific tests to be performed at each manufacturing site. In Asia, the company's sourcing office

outsourced production to close supervision to ensure that all products and components meet the specifications and quality control standards of the respective brand. Should items be returned or recalled, the products involved are analyzed and investigated, and Amer Sports liaises with third party suppliers to ensure that related problems do not subsequently occur. In most countries in which Amer Sports operates, the Group companies provide product warranties based on local legislation. The scope and terms of each warranty varies in different geographic markets and product categories. Suunto has an ISO 9001 certified Quality Management system.

Environment

Amer Sports reviews its global production and sourcing footprint to identify possibilities for improvements and to reduce its environmental impact.

To guide its Group-wide actions, Amer Sports has created environmental guidelines to outline the commitment

to reduce the environmental impacts of its operations through the use of methods that are both responsible and economically sound. In addition, Amer Sports brands are responsible for their environmental actions, based on the common environmental guidelines.

Direct energy consumption	Unit	2016	2015	2014	2013
Non-renewable					
Fuel oil	kWh	1,344,669	1,682,130	1,143,310	1,776,005
Natural gas	kWh	38,528,498	37,212,360	38,386,017*	35,089,772
Renewable					
Wood biomass	kWh	5,234,670	6,029,778	6,029,608	7,836,000
Indirect energy consumption					
Electricity	kWh	53,139,446	51,723,387	52,145,765*	55,181,773
Heating	kWh	2,633,178	2,613,967	2,740,262	3,168,357
Cooling	kWh	0	0	0	0
Steam	kWh	0	0	0	0
Total energy consumption within the organization					
Total energy consumption within the organization	kWh	101,129,844	99,509,468	100,359,058*	103,051,907
Total non-renewable energy	kWh	87,911,064	84,822,068	85,706,639*	78,986,900
Total renewable energy	kWh	13,218,780	14,469,554	14,755,457*	19,524,500
Reduction of energy consumption, %	kWh	-1,6	1,8	2,6	

Emissions	Unit	2016	2015	2014	2013
Greenhouse gas emissions, Scope 1	tCO ₂	13,345	13,010	13,420*	12,084
Greenhouse gas emissions, Scope 2	tCO ₂	18,592	19,786	20,307*	20,888
Greenhouse gas emissions, Scope 3**	tCO ₂	11,626	31,062	12,330***	34,882

** All scope 3 data includes business travel, purchased goods and services (paper and water), fuel and energy related activities, and waste generated in operations. Only 2013 and 2015 includes additional data relating to upstream transport and distribution (freight).

Without upstream transport data, scope 3 for 2013 was 13,732; 2015 was 13,160.

Emissions intensity ratio*	tCO ₂ e/mEur	16,61	18,2	20,85	22,38
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*For comparability reasons, transport and distribution emissions were removed from the intensity ratio data.

Waste	Unit	2016	2015	2014	2013
Recycling & reuse	t	5,727	5,620	5,128	5,094
Composting*	t	88	64	34	50
Incineration (mass burn)	t	1,094	1,137	861	572
Landfill*	t	2,012	1,745	1,935	2,001
Hazardous waste	t	n/a	n/a	n/a	n/a
Total amount of waste	t	8,921	8,566	8,109	7,852
Waste recycled or reused	%	64 %	66 %	63 %	65 %

* Minor corrections are made as new and more accurate source data was available.

Water	Unit	2016	2015	2014	2013
Total volume of water used	l	32,728,584	25,217,617	28,098,792	26,326,576



ENERGY AND CLIMATE

Amer Sports annually assesses its Group-wide carbon footprint measurement and participates in the Carbon Disclosure Program (www.cdp.net). By participating in CDP's Climate Change program, companies worldwide can gain more understanding on their carbon emission sources and estimate how to cut down emissions and improve their efficiency. Amer Sports has participated in the CDP since 2011. In 2016, Amer Sports' performance rating was C on a scale from D- to A.

In 2016, Amer Sports worked towards the creation of environmental targets and set a new baseline to track its development.

There are several ongoing actions and initiatives to reduce, for instance, energy, travel and waste, varying from day-to-day office practices to applications at the manufacturing facilities. For instance Amer Sports has a travel policy that applies to all employee levels in all business areas and entities. The key elements of the global travel policy are to estimate the necessity of travel and consider alternative communication methods.

In 2016, Salomon and Mavic committed to work towards ISO 14001:2015 and 50001 certifications

Salomon and Mavic have made a commitment to work towards ISO 14001:2015 Environmental Management System and 50001 Energy Management System for their Design Center in Annecy, France.

ISO 14001:2015 establishes the criteria for an environmental management system and can be certified. ISO 14001:2015 provides practical tools to manage environmental responsibilities and is based on the principle of continuous improvement of environmental performance by monitoring and controlling the impacts linked to the company's activities, such as chemical safety, waste, and wastewater.

In 2016, Salomon and Mavic committed to a program to become ISO 50001: using energy efficiently helps organizations save money as well as helps to conserve resources and tackle climate change. ISO 50001 supports organizations in all sectors to use energy more efficiently, through the development of an energy management system (EnMS).

Salomon and Mavic also target to achieve ISO 50001 Energy Management System, which provides several benefits for companies; by increasing their energy

efficiencies, companies are able to reduce costs, help conserve resources and mitigate climate change. ISO 50001 supports organizations in all sectors to use energy more efficiently.

Salomon and Mavic have an Environmental Management Policy to identify the environmental aspects and significant impacts of their business, expand their internal recycling program, reduce energy and water consumption, increase the percentage of organic food in the canteen, as well as make the Annecy Design Center (ADC) surroundings more green. In 2015, Salomon and Mavic executed an internal program to make the ADC more environmentally friendly, whereby employees were asked to contribute ideas and development suggestions. As a result, over 100 ideas were submitted of which about 20 are being implemented or have already been implemented.

Altenmarkt ski factory is smart and green

Amer Sports Winter Sports Equipment manufacturing facility in Altenmarkt, Austria applies innovative measures on reducing its carbon footprint, being more sustainable, and recycling more. These questions are cornerstones of all its operations.

The heating energy for both the ski factory and the town of Altenmarkt comes solely from biomass, and the electrical power consumption of the plant has been 100% renewable for many years. Previously, the factory consumed almost one million liters of oil every year. Today, oil is not needed any more, and the factory has reduced its annual CO₂ emissions by 10 million kilograms.

The factory has also improved its energy efficiency. Insulation for buildings and infrastructure as well as its new heat recovery systems have helped it to reduce the thermal energy for heating the facilities around 50% from 10.2 GWh in the year 2010 to 5.2 GWh per year.

Extensive recycling

A ski factory uses many kinds of raw materials like wood, aluminum, steel, plastics, glass fiber and carbon. Although the manufacturing process uses these materials effectively, a small part of the material becomes inevitably waste.

The waste separation is already extensive. In 2014 Amer Sports' Winter Sports Operations received the Austrian Phönix 2014 waste management award. The factory utilizes a waste material shredder that crushes many

waste materials into small particles that are easy to pack and transport for recycling and will be used by third parties who need them. The recycled materials are delivered to many industries including, for example, the metal industry for energy production.

Some of the development ideas have been collected from the personnel, including the idea to collect the hot cooling water from the press process and use it for the heating of buildings.

Precor North Carolina, a LEED factory

Precor North Carolina manufacturing facility is a LEED certified factory that has implemented several sustainable practices and consistently works towards energy savings. In 2016, a factory invested in a new compressor to repair air leaks from the manufacturing utilities.

Amer Sports Winter and Outdoor is EPA's Green Power Partner

Amer Sports Winter and Outdoor in Ogden renewed its partnership with the EPA's (United States Environmental Protection Agency) Green Power Partnership in 2016. Currently 27% of its annual power usage, or 23,000 kWh (Third-Party Certified Green Power Product) is wind produced.

Read more at <http://www3.epa.gov/greenpower/>

Rationalizing footwear packages

Amer Sports Footwear launched a program to reduce the packaging of shoes. Originally Amer Sports Footwear used 60 different box sizes to accommodate all brands' products. Amer Sports worked with a partner to develop a suitable package and reduce the amount to 33 box sizes, which are shared across all brands to minimize the individual amount of cutting waste. This approach optimizes the packaging for transport while maintaining production efficiencies. The outcomes of the shoebox packaging reduction is a saving of 24 tons of paper in 2016.

Circular economy examples

The Circular economy is about closing the loop in business, for instance, using resources in a way that they are kept in circulation. This will reduce waste, increase resource productivity and help reduce environmental impacts. Amer Sports brand companies are further exploring the opportunities of circular economy and already have some examples in practice.

Re-use of raw materials in the Winter Equipment Manufacturing facilities

Amer Sports Winter Sports Equipment (WSE) has an extensive program that enables all of the raw materials that are not used in its own manufacturing to be used by external parties. Over the years, this has helped to reduce the amount of waste in the WSE facilities.

Rental business has been an increasing trend during the last years for the Winter Sports Equipment and Amer Sports brands strongly follow this trend, and are also considering options on how to develop product take-back programs.

One remarkable renewal is to adopt a 3D printing project for mold-making in Winter Sports Equipment.

Precor recycles steel and aluminum

Steel and aluminum are very recyclable and this represents a large percentage of the Precor's material content, particularly in strength products.

Suunto refurbishment pilot

In 2016, Suunto conducted a refurbishment pilot with a small batch of returned products. The products were disassembled and selected electronics components were tested and utilized in refurbished products. All of the visible parts of the products were new. During the pilot Suunto created the process and capability for product refurbishment. The project was initiated from a market opportunity alongside with the willingness to try new circular economy opportunities.

Suunto had two different products available as refurbished options: The Traverse Graphite and Ambit3 Peak Black. The intention is to continue to develop the program into a more scalable model.

Mont Blanc Repair Center

In recent years, Salomon has partnered with other outdoor brands in France, members of the Outdoor Sports Valley, to establish and develop the Mont Blanc Outdoor Repair Center. This new location provides a place where outdoor brands can find skilled individuals and machinery to repair outdoor products for their after-sales services, enabling them to last longer. The organization that runs the repair center also helps people find jobs and learn new skills that will make them more employable in the future.

ARC'TERYX AND PRODUCT DURABILITY

Lifecycle thinking guides Arc'teryx's approach to designing the world's most durable outdoor gear. Arc'teryx strives to make the world's best performing, longest lasting outdoor gear. Durability is the cornerstone of this design philosophy.

Arc'teryx looks at its product and design operations as a system, spanning the creation of the materials that it sources, the production processes used in manufacturing, the distribution steps in its supply chain, stores and retail operations, product use and care, and end-of-life. Arc'teryx seeks to influence this cycle to reduce energy, resource and material consumption while enhancing

product quality. Extending the useful life of the product effectively diminishes the impacts associated with production by spreading them over more years. External Life Cycle Assessment (LCA) studies support this conclusion, finding that the production and transportation of a representative garment comprise approximately 65% of the environmental impact over the garment's useable life, and that extending garment lifetime had a greater effect than seeking to reduce the impacts associated with the production sub-processes.

People

Amer Sports provides a safe and healthy work environment, ensures fair and equal career & development opportunities.

Amer Sports employees are located globally on all continents and regions, representing different cultures and backgrounds. In 2016, Amer Sports employed 8,526 persons in 34 countries.

Amer Sports employees work with its market leading sports brands in various fields of expertise. There is a wide range of professionals working in disciplines like sales and e-commerce, marketing, commercial, research and development, operations and support functions.

As defined in the Amer Sports Code of Conduct, Amer Sports provides its employees with workplaces that are safe, fair and healthy. All Amer Sports employees are responsible for creating and maintaining working environments that are free from harassment or other inappropriate behavior. Amer Sports promotes equal opportunities and diversity.

OCCUPATIONAL SAFETY AND HEALTH

Amer Sports manufacturing facilities work to continuously improve the safety and working conditions for all of its employees. Occupational Safety and Health Act (OSHA) standards are followed to ensure that the workplace is free from any recognized hazards and personal protective equipment is used wherever required. All near-miss incidents, accidents, and reported unsafe conditions are investigated. Root causes are analyzed, and corrective and preventive actions are implemented to avoid any future occurrence.

Healthy Suunto

The “Healthy Suunto” -project was started in the Spring 2015, due to a trend of increasing amount of sick-leaves at the Suunto factory, and ended in December 2016.

The project was led by the Human Resources Business Partner along with the project group that included head of manufacturing, factory managers and operators. The purpose of the project was to increase the well-being of

In 2016, Amer Sports launched a project for a new ethics and compliance system, an online channel provided for this purpose. Reports may be made anonymously through the ethics and compliance channel.

Sports and exercise support employees' well-being

Amer Sports and its brand companies encourage their employees to take part in sports of their choice. The company facilitates this in many ways, for instance by equipping company buildings with Precor gyms, arranging team runs and walks, providing personal trainer sessions and measuring the progress with fitness tests and body composition measurements.

Wilson supports the physical activity and sports participation of its internal team as well. Through a gym on campus, to running and walking clubs, and company sponsored amateur sports leagues, the Wilson team thrives on being as active as the consumers it designs products for.

the workers and decrease sick leaves through focused actions and the management of worker well-being.

As a result, ergonomics training was organized for all of the teams in manufacturing in collaboration with an occupational health physiotherapist. The collaboration with occupational health care was intensified so that there would be more possibilities to help on potential challenges early on. In addition, there was an increase of ongoing collaboration with team managers in occupational well-being related topics. Feedback and ideas were collected during team development discussions and open door sessions and factory tours held by the head of manufacturing and HR. Common events were also organized for manufacturing workers.

Before the project, the average sick-leave percent in the year 2015 was 10.2% and in 2016 it fell to 8.5%. The peak of sick-leave was 14%, and by the end of the project in December 2016, it had fallen to 6.4%.

Personnel	2016	2015	2014	2013
Personnel at year end	8,526	7,954	7,630	7,330
Average personnel	8,439	7,848	7,505	7,370

Personnel by business segment (headcount)	2016	%	2015	%	2014	%	2013	%
Outdoor	5,619	66	5,084	64	4,966	65	4,742	65
Ball Sports	1,770	21	1,686	21	1,537	20	1,549	21
Fitness	908	11	975	12	932	12	874	12
Headquarters and shared services	229	3	209	3	195	3	165	2

Personnel by function	2016	%	2015	%	2014	%	2013	%
Manufacturing and sourcing	2,383	28	2,244	28	2,243	29	2,219	30
Sales and distribution	3,693	43	3,381	43	3,184	42	2,881	39
Support functions/shared services	956	11	912	11	931	12	916	12
R&D	802	9	784	10	680	9	691	9
Marketing	692	8	633	8	592	8	623	8

Personnel by country	2016	%	2015	%	2014	%	2013	%
USA	2,173	25	1,883	24	1,735	23	1,633	22
France	1,198	14	1,153	14	1,143	15	1,144	16
Canada	1,033	12	951	12	820	11	734	10
Austria	649	8	661	8	706	9	706	10
Bulgaria	504	6	530	7	555	7	573	8
Finland	512	6	491	6	417	5	423	6
Germany	412	5	388	5	393	5	370	5
China	383	4	374	5	362	5	320	4
Japan	256	3	235	3	220	3	189	3
UK	198	2	194	2	170	2	185	3
Russia	125	1	136	2	179	2	185	3
Poland	171	2	165	2	161	2	138	2
Mexico	232	3	101	1	100	1	83	1
Switzerland	86	1	87	1	83	1	82	1
Taiwan	84	1	82	1	79	1	77	1
Australia	69	1	68	1	65	1	67	1
Italy	77	1	95	1	68	1	66	1
Czech	57	1	60	1	58	1	61	1
South Korea	55	1	63	1	61	1	57	1
Spain	69	1	59	1	64	1	55	1
Other countries	183	2	178	2	191	3	182	2

Personnel by region	2016	%	Male	Female	2015	%	2014	%	2013	%
EMEA	4,205	49	2,773	1,428	4,154	52	4,141	54	4,125	56
Americas	3,442	39	1,963	1,419	2,942	37	2,662	35	2,455	33
Asia Pacific	879	12	523	485	858	11	827	11	750	10

Hourly and salaried personnel	2016	%	Male	Female	2015	2014	2013
Hourly	3,202	38	1,880	1,322	29	29	28
Salaried	5,324	62	3,340	1,985	71	71	72
Permanent	7,740	91	4,860	2,879	88	n/a	n/a
Temporary	786	9	361	426	12	n/a	n/a
Permanent: Full-time	7,312	94	4,737	2,575	94	n/a	n/a
Permanent: Part-time	428	6	123	305	6	n/a	n/a

Personnel by gender	2016	%	2015	2014	2013
Male	5,201	61	61	61	61
Female	3,325	39	39	39	39

Age diversity by age group	2016	%	Male	Female	2015	2014	2013
18-25 years	856	10	471	385	10	9	9
26-35 years	2,578	30	1,491	1,087	30	29	29
36-45 years	2,272	27	1,472	800	28	28	28
46-55 years	1,963	23	1,265	697	23	23	23
Over 55 years	858	10	518	340	9	10	10

Employees trained for Code of Conduct (%)	2016	2015	2014	2013
	46,0	54,1	56,2	78,2

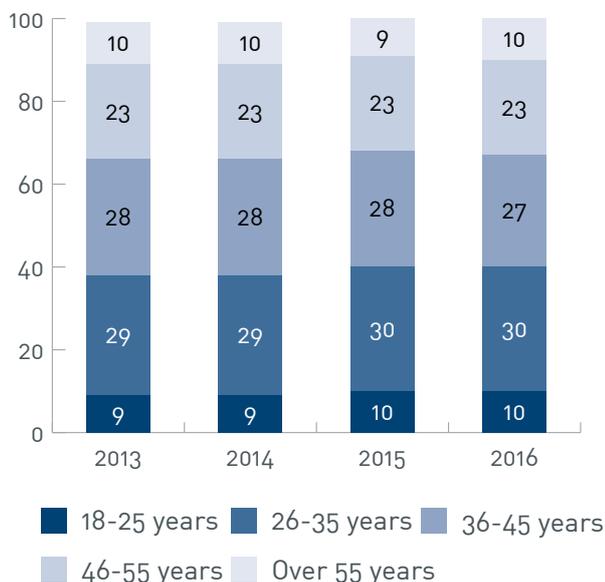
In 2012, personnel was asked to complete the Code of Conduct e-learning test. At the time 78.2% completed the test and more than 1,100 new employees have completed the test as part of onboarding process since. The company has recruited new employees, of which not all have taken the Code of Conduct test.

Turnover (%)	2016
Average turnover of all employees (voluntary and involuntary)	20,4
Hiring rate (of all employees)	26,1

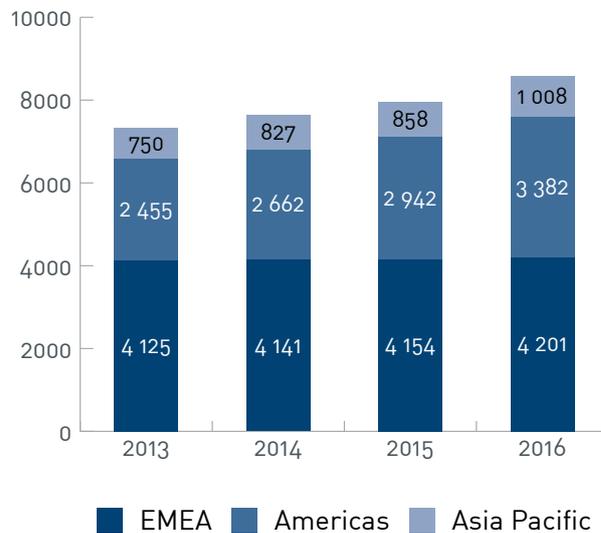
Competence development	2015*
Employee engagement level (percentage of employees engaged in Pulse Meter)	72%
Percentage of employees that are satisfied with their professional development	63%

* The Amer Sports Pulse Meter has been conducted bi-annually, and the latest assessment is from 2015.

Age diversity by age group



Amer Sports headcount development 2013–2016



COMPOSITION OF GOVERNANCE BODIES AND EMPLOYEE BREAKDOWN

Board of directors

YEARS	FEMALE TOTAL %	MALE TOTAL %
Under 30	0	0
30-50	0	0
Over 50	25,0	75,0
Total	25,0	75,0

Executive Board	Female total %	Male total %
Under 30	0	0
30-50	0	30,0
Over 50	0,0	70,0
Total	0,0	100,0

Diversity of the Board of Directors

The Nomination Committee values the benefits that diversity brings and seeks to maintain a Board of Directors comprised of talented and dedicated members with a diverse mix and an appropriate balance of professional expertise, experience, skills, age, gender, nationalities and backgrounds. The Committee shall consider candidates for members on the basis of their merits with consideration of the needs in the Board of Directors having due regard to the benefits of diversity. Based on these principles, the Committee aims to ensure skills and qualifications which collectively represented in the Board of Directors shall provide an appropriate balance of diversity, expertise and experience to maintain and enhance the overall effectiveness of the Board of Directors.

The objective is to have both genders represented in the Board of Directors and the aim is to strive towards an appropriately balanced gender distribution. In 2016, 25% of the Board members were female and 75% male.

Economic impacts

Amer Sports delivered record sales and profits in 2016 and closed its 7th consecutive year of profitable growth following the company's Sustainable Growth Model with annual growth, annual profit improvement, and annual investment for the future.

Amer Sports has a five-year 2020 glidepath with a focus on accelerating profitable growth.

The strategy prioritizes five areas where the company sees the highest growth potential:

Apparel and Footwear, United States, China, Business to Consumer (own retail and e-commerce), and digitally connected devices and services.

The company has the following financial targets toward 2020:

- Net sales: At least EUR 3.5 billion translating into minimum 6.5% CAGR, with minimum mid-single digit organic, currency-neutral annual growth
- Profit: Annual EBIT growth (excluding non-recurring items) ahead of net sales growth
- Cash flow conversion: Free cash flow / net profit of at least 80%
- Net debt / EBITDA: Year-end net debt / EBITDA ratio max 3x

Read more about Amer Sports financial targets on Financial Review p. 14.

Direct economic value generated and distributed	2016		2015		2014		2013	
	EUR million	% of value generated						
Direct economic value generated	2,630.6		2,548.8		2,235.6		2,144.2	
Economic value distributed	2,182.1	83	2,128.5	84	1,902.9	85	1,824.8	85
Suppliers	1,537.7	58	1,518.5	60	1,371.0	61	1,310.4	61
Employees	507.6	19	482.2	19	429.2	19	416.2	19
Public sector	39.2	1	37.8	1	18.0	1	27.5	2
Investors and shareholders	97.6	4	90.0	4	84.7	4	70.7	3
Economic value retained	448.5	17	420.4	16	332.7	15	319.4	15

Taxes by area ¹⁾ (EUR million)	2016	2015	2014	2013
EMEA	20.5	18.0	8.5	14.3
Americas	6.9	3.8	-0.4	3.3
Asia Pacific	11.8	16.0	10.0	9.9
In total	39.2	37.8	18.1	27.5

1) Including income taxes

Financial assistance received from government (EUR million)	2016	2015	2014	2013
	1.9-3.5*	2.7-3.7*	approximately 2*	approximately 2-2.5*

* Estimated figure

More information at

www.amersports.com/investors/reports-and-presentations/financial-reviews or www.amersports.com/investors

Reporting

The Amer Sports Corporate Responsibility report provides an overview of the Group's sustainability actions.

The Corporate Responsibility report also prepares the company for the external requirements for the non-financial disclosure defined by the European Parliament and the Council to improve the transparency concerning social, environmental and diversity matters. For this reporting, Amer Sports has identified the key areas and strategic intents for Amer Sports' corporate responsibility, explained on p. 14.

The Amer Sports Corporate Responsibility report covers environmental, social and economic areas. Information focuses on the Group level, but several case examples from Amer Sports companies, functions and categories have been included.

This report contains Standard Disclosures from the GRI G4 Sustainability Reporting Guidelines. The GRI Index is presented at the end of this report on p. 45. The reporting is done annually.

All of the major locations are included in the environmental figures. The CO2 data has been provided by

the company's external partners, such as travel agencies and shipping companies and validated with the help of external consultants. The calculation of emission was based on DEFRA's averages.

The majority of the figures describing the company's economic impacts are derived from the audited financial statements and include all business units.

The majority of the figures describing Amer Sports' supply chain are derived from the audit reports and monthly internal CSR reports as a part of the standard reporting process. The indicators cover Asia and EMEA region apparel sourcing, tier 1 suppliers.

The Group's consolidated financial information has been audited. The environmental data has not been externally assured. When calculating carbon emissions, the principles used are the Defra Voluntary Reporting Guidelines and the IPCC Second Assessment Report (SAR - 100 year) as a reference.

Amer Sports published its first Corporate Responsibility Report in 2015, and continues to develop the reporting.

GRI Index table

General Standard Disclosures		Page	Comments	Omissions
Strategy and Analysis				
G4-1	CEO's statement	7		
G4-2	Key impacts, risks and opportunities	8-9, 13-14		
Organizational Profile				
G4-3	Name of the organization	45	Amer Sports Corporation	
G4-4	Primary brands, products and services	3		
G4-5	Location of organization's headquarters	45	Konepajankuja 6 / P.O. Box 1000, 00511 Helsinki, Finland	
G4-6	Number of countries and names of countries with significant operations or that are relevant to sustainability topics	3, 5		
G4-7	Nature of ownership and legal form	3, 45	Amer Sports Corporation is a public company.	
G4-8	Markets served	3		
G4-9	Scale of the organization	3-5, FR 3-6, 16		
G4-10	Employee information	40-41	Amer Sports has significant seasonal variations in its total number of employees. A substantial portion of work is not performed by workers who are legally recognized as self-employed.	Data regarding supervised employees is not currently available.
G4-11	Percentage of total employees covered by collective bargaining agreements		Amer Sports aims to report the standard disclosure in the near future.	
G4-12	Describe the organization's supply chain.	28-33		
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	45	No significant changes during the reporting period. In 2016, Amer Sports acquired ENVE Composites LLC, a fast-growing brand in high-end carbon wheels, components, and accessories for road and mountain biking, and EvoShield, the leading brand of protective gear for baseball and softball.	
Commitments to external initiatives				
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	8-9, 18, 34-38, 45	Amer Sports' risk management process and environmental guidelines enable Amer Sports to take precautionary approach and avoid harm to the environment.	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	21-23		
G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	21-23		

General Standard Disclosures	Page	Comments	Omissions
Identified Material Aspects and Boundaries			
G4-17	- List all entities included in the organizations consolidated financial statements or equivalent documents - Report whether any entity included in the organizations consolidated financial statements or equivalent documents is not covered by the report.	46	All group companies are included in the consolidated financial statements
G4-18	- Explain the process for defining the report content and the Aspect Boundaries. - Explain how the organization has implemented the Reporting Principles for Defining Report Content.	10-13	
G4-19	- List all the material Aspects identified in the process for defining report content.	12-13	
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: - Report whether the Aspect is material within the organization - If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: — The list of entities or groups of entities included in G4-17 for which the Aspect is not material or — The list of entities or groups of entities included in G4-17 for which the Aspects is material	12-13	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: - Report whether the Aspect is material outside of the organization - If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified - Report any specific limitation regarding the Aspect Boundary outside the organization	12-13	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	46	No restatements.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	46	No changes.
Stakeholder engagement			
G4-24	List of stakeholder groups engaged by the organization.	19-20	
G4-25	Basis for identification and selection of stakeholders with whom to engage.	19-20	
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	19-20	

General Standard Disclosures	Page	Comments	Omissions	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	19-20		
Report Profile				
G4-28	Reporting period	44		
G4-29	Date of most recent previous report	47	June 9, 2016	
G4-30	Reporting cycle	44		
G4-31	Provide the contact point for questions regarding the report or its contents.	Front cover		
GRI Content Index				
G4-32	GRI Content Index	45-49		
Assurance				
G4-33	<ul style="list-style-type: none"> - Report the organization's policy and current practice with regard to seeking external assurance for the report. - If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. - Report the relationship between the organization and the assurance providers. - Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report. 	47	The report has not been assured by a third party.	
Governance				
G4-34	Governance structure of the organisation	10, FR 61-65		
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	FR 70, 72		
Remuneration and incentives				
G4-51	Report the remuneration policies for the highest governance body and senior executives	FR 41, 75-78		
Ethics and Integrity				
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	16-18		
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	33, 39		

Specific Standard Disclosures	Page	Comments	Omissions
G4-DMA	Disclosures on management approach		
Generic	Generic DMA	10-14, 16-18	
Category: Economic Aspect: Economic Performance			
G4-EC1	Direct economic value generated, distributed and retained	43	
G4-EC4	Financial assistance received from government.	43, FR 32	
Category: Environmental Aspect: Energy			
G4-EN3	Energy consumption within the organisation.	34, 36	No electricity, heating, cooling or steam sold.
Total energy consumption reported in kWh. More detailed standards, methodologies, and assumptions to be included in the future reporting.			
Aspect: Emissions			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	34	G4-EN15 – Direct GHG Emissions (Scope 1) <ul style="list-style-type: none"> • Consolidation approach: Operational control • Methodology followed: ISO 14064-1: 2006 (based on the GHG Protocol) • Emission factors used: Defra (2016) • GHG Gases included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ • Does not include biogenic gases (these are reported as “outside of the scopes”) • Sources included: Fuel combustion, vehicle fleet, fugitive/process emissions
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	34	G4-EN16 – Energy indirect GHG emissions (Scope 2) <ul style="list-style-type: none"> • Consolidation approach: Operational control • Methodology followed: ISO 14064-1: 2006 (based on the GHG Protocol) • Emission factors used: Energy Agency (IEA) (2016) for non-UK grid electricity emissions factors; Defra (2016) • Sources included: Purchased electricity, purchased heat, steam and cooling
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	34	G4-EN17 – Other indirect GHG emissions (Scope 3) <ul style="list-style-type: none"> • Consolidation approach: Operational control • Methodology followed: ISO 14064-1: 2006 (based on the GHG Protocol) • Emission factors used: Defra (2016) • Does not include biogenic gases (these are reported as “outside of the scopes”) • Sources included: <ul style="list-style-type: none"> • Purchased goods and services (water, paper), fuel- and energy- related activities, waste generated in operations (sent to landfill), business travel, upstream transport and distribution
G4-EN18	Greenhouse gas (GHG) emissions intensity	34	G4-EN18 – GHG Emissions intensity <ul style="list-style-type: none"> • GHG Gases included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ (does not include biogenic gases) • Includes all sources of Scope 1, 2 and 3 emissions (as detailed in G4-EN15-17) • Intensity ratios calculated: <ul style="list-style-type: none"> - Emissions per €m Revenue (tCO₂e/€m) - Emissions per FTE (tCO₂e/FTE) - Emissions per m² GIA (tCO₂e/m²)

Specific Standard Disclosures	Page	Comments	Omissions
Aspect: Effluents and Waste			
G4-EN23	Total weight of waste by type and disposal method	34	
Category: Social			
Sub-category: Labor Practices and Decent Work			
Aspect: Diversity and Equal Opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	40-42	Data on minority groups is not available.
	<p>a. Report the percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <ul style="list-style-type: none"> • Gender • Age group: under 30 years old, 30-50 years old, over 50 years old • Minority groups • Other indicators of diversity where relevant <p>b. Report the percentage of employees per employee category in each of the following diversity categories:</p> <ul style="list-style-type: none"> • Gender • Age group: under 30 years old, 30-50 years old, over 50 years old • Minority groups • Other indicators of diversity where relevant 		
Amer Sports topic: Responsible sourcing			
Responsible sourcing	Breakdown of supplier turnover by country risk	30	
Responsible sourcing	Suppliers covered by Supplier Code of Conduct	30	
Responsible sourcing	Audits	30	
Responsible sourcing	Audited purchasing volume	31	
Responsible sourcing	Suppliers' employees in audited factories	30	
Responsible sourcing	Breakdown of audit findings	30	



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